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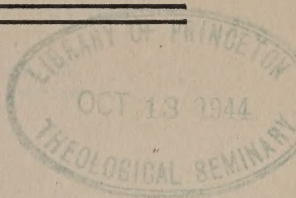
1944

DO YOU KNOW LABOR?

DO YOU
KNOW LABOR?

JAMES MYERS

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MANUFACTURED IN THE UNITED STATES OF AMERICA

To
B. R. M. R.

FOREWORD

People who are thrown into one another's arms by the violence of some external upheaval, do not always stay put. On the other hand they often learn to live together and like it. Capital and labor have been called upon by the government to co-operate for the utmost efficiency and production. How well they will do so will depend largely upon whether they "take a leaf out of the book" of those employers and unions who have already pioneered in this field, and have developed psychological attitudes and techniques of industrial relations which assure success. Nor is this problem one of temporary public interest only. Its solution is basic to the progress of democratic society in the better world which we hope to see.

Because of the nature of modern industrialism and its rapidly increasing impact on rural, as well as urban areas, information about the policies and practices of labor unions is today essential not only to employers but to the general run of citizens in all parts of the country, to professional groups, and to American farmers. All are vitally affected in one way or another.

Should unions be regulated? What are the causes of strikes? How can they be prevented? Do unions keep their agreements? Should they be incorporated? What about labor rackets? The A. F. of L.-C. I. O. controversy? Communists in the labor movement? The National Labor Relations Board? The closed shop? The check-off? Picketing? Profit sharing? The Negro in industry? Women workers? Labor as consumers? Union management co-operation? Are labor leaders responsible? Is there a way to permanent industrial peace?

The present volume attempts to supply in brief form factual

information drawn chiefly from first-hand experience of the writer, who at one time spent seven years as Personnel Director in a factory. For the past seventeen years as Industrial Secretary of The Federal Council of the Churches of Christ in America he has also had opportunity for intensive study of labor relations in many industries, organized and unorganized, in all parts of the country. Extensive personal acquaintance with employers, labor officials and rank and file industrial workers, and leaders of farm groups and co-operatives has supplied information and understanding which could have been acquired in no other way. Grateful acknowledgment is made to them all; to the Catholic and Jewish leaders with whom the writer has so constantly collaborated, and to the Federal Council of Churches for wide opportunities of investigation and efforts toward friendly mediation afforded during many years. Opinions expressed are of course only those of the author.

It is hoped that this impartial presentation of facts may be of some service in promoting public understanding, and may suggest ways to peaceful and constructive industrial progress in harmony with our ideals of American democracy, and with our basic faith in the sacredness of human personality.

J.M.

New York, N. Y.

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DO YOU KNOW LABOR?

I

UP FROM SLAVERY

Workingmen in a democracy today enjoy more freedom than ever before in the history of the world. In ancient times employers actually *owned their employees*. Under the economic system of slavery, an employer could at times inflict even the death penalty if his slave's "production record" was not up to standard.

During the Middle Ages common labor enjoyed more freedom but it was still bound to the land. A worker was not free to choose his employer. Labor was paid only "in kind," that is, by handouts of grain, and wool and a hut to live in. Perhaps worst of all, a common laborer, or serf, had justice handed out to him by a court in which his employer or "lord" acted as the judge! It is true that during the Middle Ages a few skilled artisans organized in guilds and, owning their own tools, enjoyed a high position of independence. But the masses of common labor lived under serfdom.

With the coming of the Industrial Revolution, or machine age, common labor made distinct gains in freedom. Workers are now paid in cash, and in a democracy have a right to work for whomever they wish, enjoying civil and political equality. Under the present wage system, however, the status of labor in industry falls short of democracy. The relation between an employer and an employee has been defined by our courts as that of master and servant.

Most employers intend to be fair, and many of them generous, in their relations with labor. Employers who have always tried to maintain fair labor standards—perhaps above those of

their competitors—are often tempted to feel deeply hurt when their employees express a desire to join a union. Yet many come to realize that there is a deeper issue involved and are patriotic enough to welcome in the field of labor relations the application of our American principle of representative government, granting a voice to every man in the determination of conditions which are so vital to his individual happiness and the well-being of his family and children.

An illuminating story is told of an "Americanization worker" who, after carefully instructing a foreign-born wage earner in the principles of Americanism, asked him if he understood the difference between America and his old country in Europe. He replied, "Yes, I understand. In the old country we must obey the King. In *this* country we must obey the superintendent." Under political autocracy many monarchs, like many modern employers, had the best interests of their subjects at heart. But increasing demands of the people for the rights of self-government finally resulted in the establishment of democracy in political life. A similar urge for democratic rights lies beneath the demand for organized labor relations.

Samuel Gompers, one of the great leaders of American labor, saw with prophetic clarity the essential connection between democracy and the right of labor to organize. In reply to a critic of organized labor who pointed out that a certain paternalistic employer was providing welfare work, including a recreation center, swimming pool and shower baths, he declared that "labor would rather be free than clean." He also referred to welfare work as Hellfare work when it was used as a substitute for the democratic right of labor to self-determination. A friend of mine was shown through a model mill village by the owner, who pointed out the good living conditions he had provided, including better houses, free schools, free picnics and free seeds for the workers' flower gardens. My friend inquired how it happened that in every yard there were petunias in bloom. "I like petunias," said the owner. Paternalism fails mis-

erably to meet the basic need in human society of providing conditions under which individuals may develop their own lives.

The Question of Democracy

The question is whether the workers themselves shall have something to say about their working and living conditions. Vital issues in democracy are involved. For working conditions vitally affect the "life, liberty and pursuit of happiness" of American workers. Working conditions include security against unfair discharge. This is a matter of life and death to the wage earner and his family. They include safeguards for the worker against accidents and occupational diseases. They include the length of his work day and the amount of his wages. The worker's pay envelope determines the kind of house his family can live in, whether in the slums with their serious effect upon the health and morals of his children, or in a better neighborhood where they will have a chance. The worker's pay envelope determines the kind of clothes he can buy for his children, and the amount of education he can give them.

I once sat in a wage conference in which a trade unionist argued at length over a difference of one cent an hour. He explained later that this apparently insignificant issue meant a pound of butter each week for his family. If democracy is to command the loyalty of working people, it must give them a voice in matters so intimately affecting their family life.

The need for democracy in labor relations is the more imperative because workers no longer own their own tools of production, as the skilled artisans did under a previous economy. American farmers are quite properly gravely concerned because only 58 per cent own their own farms. They should pity industrial workers, who have lost all ownership. Modern industry with its great factory system, owned usually by

absentee stockholders, leaves the great mass of workers with no "property rights" in industry except their jobs.

An intricate system of legal and moral guarantees has been built up to safeguard the rights of private property. Yet under the wage system a worker's "property rights" in his job are secured by no legal guarantees beyond the payment of his wages by the employer one day or one hour at a time. He has no legal rights in his job when his "legal contract" for the day or hour expires. He may be paid and dismissed, and has no recourse in the courts. It is difficult for middle-class salaried workers, stockholders and farmers to realize what this means to the wage-earning class and their families. The utter insecurity feared by the owning class when "property rights are threatened" already exists for most industrial workers. Widespread strikes have dramatized again and again the moral demand of the wage earner for more rights in his job—more security in his principal means to a livelihood, at least to the extent of protection by union agreements. A sit-down striker said to the writer: "I've worked at this machine for fifteen years—I guess I ought to have *some* right to this job." In Great Britain "there is a general feeling among workers and employers that 'the job belongs to the man' and that it is not right for men to take, or to be asked to take, the jobs of their fellows during strikes."¹ Collective bargaining having been generally accepted, there is confidence on both sides that the controversy will be settled by peaceful negotiations.

Is it not simple justice that labor be allowed to organize in dealing with employers since the owners of industry are organized 100 per cent? They have in reality a "closed shop" of their own. They deal with labor only through their own freely chosen representatives. An individual worker, seeking employment or better conditions by approaching an individual stockholder of a corporation, will always be referred to the manager,

¹ Report of the President's Commission on Studies of Industrial Relations, Par. 36.

who represents all stockholders in dealing with labor. As the Executive Committee of the Federal Council of Churches declared in June, 1934:

"The reasons for labor's insistence upon a broad basis of organization and upon representation of the workers by persons chosen and paid by themselves are too plain for argument. They are precisely the same reasons that impel employers to organize and to secure the ablest representatives of their own interests, chosen and paid by themselves. We appeal for fair play in accord with the plain intent of an act of Congress and with a principle for which the churches have long contended. When labor is denied the right of free choice of representatives so chosen, the spirit and purpose of justice and democracy are thwarted."

Many employers feel that democratic labor relations constitute the best safeguard against even inadvertent unfairness on the part of management. The late President Baldwin of the Long Island Rail Road declared that he was convinced that no man in a position of authority over other people is himself morally good enough, nor can he have enough imagination, to understand or give proper consideration to the needs, feelings and just desires of his employees. For that reason he said he was glad that his workers were organized in regular labor unions so that they could, without subservience or fear, deal collectively with him, and thus save him from any unconscious injustice to them.

It is, of course, an added burden on the time and patience of employers to consult with representatives of their workers and to bargain with them, often in lengthy negotiations, with reference to wages, hours and conditions. It is much quicker and simpler for an employer to decide all these matters himself. This accounts for a large part of the reluctance of employers to recognize unions. Yet many conscientious employers agree with President Baldwin's analysis and are glad to deal with

unions for those reasons. Others find themselves unwilling to relinquish this complete power over other people's lives until they are forced to do so by the organization of their workers.

The Status of Free Men

While organized labor has grave faults, weaknesses and limitations, the labor union movement is in essence a demand for democracy on the part of wage earners. It is an expression of our American principle of government applied to industrial relations. It is analogous to many farm organizations which seek the same essential democratic right of collective action to safeguard their interests. The same thrilling spirit of democracy, the same determination to have a voice in their own economic destinies, is found in the organized labor movement as well as in the organized farmer movements.

In the long run democracy in labor relations will also prove to be the only guarantee of the highest possible efficiency in industry. For there are but two natural psychological reactions to autocratic control, whether political or industrial. Those living under autocracy tend either to "take it lying down," to "keep their mouths shut and do as they are told," or to *rebel*. Autocratic control inevitably tends to produce in workers either the mind of the slave or the mind of the rebel. Neither of these states of mind is conducive to efficiency. Servile workers adopt the "don't care" attitude, do their work just well enough to "get by," and are responsible for huge unseen wastes and lack of efficiency in production. Rebel-minded workers on the other hand are secretly resentful, prone to sabotage and looking for a chance to "get even" with the company. Neither the slave nor the rebel can be counted on for the highest possible industrial efficiency. Instead of complaining about the "lack of interest in their work" on the part of servile employees, or condemning the "trouble maker" rebels among the workers, management is more scientific if it recognizes and

removes the principal cause of such attitudes. When you give a worker a sense of self-respect and a new status of dignity as an industrial citizen, you have abolished both the slave and the rebel mind and prepared the ground for the efficiency and interest in their work which can be expected only from free men who enjoy both the privileges and the responsibilities of democracy.

In order to assure progress and permanence in a political democracy, the whole of our national life must be democratic through and through. Our industrial and economic relations as well as our political institutions must embody this basic principle of Americanism. Democracy is the only moral form of government. It is based upon the religious concept of the infinite value of the individual. It provides the only soil congenial to the full growth of human personality. It alone throws back upon all individuals the responsibility for decisions, enables them to grow intellectually and morally, to develop in self-reliance, dignity, self-respect, judgment, capacity and stability. In the long run, democracy will also prove to be the only stable and efficient form of government, resting as it does upon the intelligence and loyalties of free men.

We turn now to a study of the many serious problems involved in the organization, policies and actual practices of American labor unions which, with all their faults, are an expression of the urge toward democracy in the hearts of industrial workers.

II

DIFFERENT KINDS OF LABOR UNIONS

There are a number of different forms of organization through which the general principle of representation of workers has found expression. Historically, craft unions were the first to be formed. In America, for a few years previous to 1800, but more generally after 1827, workers organized into associations along the lines of their special skills or trades: printers, carpenters, textile spinners, and others. These unions soon became national in scope. Our discussion of present conditions will first take up the subject of unions or associations of employees which are confined to workers in a single plant or company.

Employee Representation: Company Unions—Independent Unions

Following the first World War a large number of employee representation plans were installed by concerns in many industries. The initiative came from the employers. Some of them, actuated by idealism, wished to introduce in their labor relations the principle of democracy and arranged to have their employees elect representatives to deal collectively with the company on wages, safety and working conditions. Many employers, however, introduced such plans with the definite object of avoiding relations with regular national labor unions. The sincerity and effectiveness in operation of employee representation plans varied with the motives and spirit of the management of the company involved. In a number of cases interesting results and improvements in conditions were obtained. In others the plan was used chiefly as an "employee

explanation" plan to convey to the workers the ideas of the management. The actual power of workers under company unions depended upon how much power the management wanted them to have. This right of organization, having been initiated by the management, could also at any time be revoked by the management. In the company where for seven years labor relations were the responsibility of the writer, we had a very sincere employee representation plan, together with many welfare features, including profit-sharing. We also had a small A. F. of L. craft union local. A member of the latter was asked by an outside investigator what he thought of the company's plan. "It's all right," he said, "but if we had to choose between it and our union, we'd stick to the union *because it's our own.*"

Company unions are now out of the picture, since the National Labor Relations Act outlaws unions initiated, financed or dominated by employers. Company unions, however, were similar in a number of important respects to the "independent unions" now appearing in many industries. The following common features of company unions and "independent unions" should be noted.

In the first place, a company union or an "independent union" is confined in its membership to a single plant or company. This makes it impossible for this type of union to influence wage scales for entire industries. On the other hand, industry-wide wage scales, because of competition, restrict and limit what a single plant can do. A union confined to a single plant or company is impotent to improve wages substantially, no matter how sincere may be the relations of the local management with it.

In the second place, most independent or company unions are handicapped by not having under their own employment and control full-time officials¹ who can gather technical infor-

¹Exception must be made for a few large independent unions in public utilities and other industries which now employ salaried executives.

mation, who are experienced negotiators and expert advisors, and who supply independent leadership counsel. It is hardly in keeping with our American ideals of good sportsmanship for an employer to declare that he will deal only with his "own" employees, denying them the benefit of their own chosen counsellors. In fact, such an employer insists that his employees shall have no spokesmen in their dealings with him, except men who are also on his payroll and hence subject to his approval, displeasure or discharge. An employer who has an "independent union" recently said to me: "The trouble with 'independent unions' is that they seldom bring up any real issues and the workers are apt to lose confidence in them," adding that he sometimes tipped off "the boys" who at his suggestion had helped to organize the "independent" to "ask for something more once in a while to keep the workers satisfied with the union."

An employer uses "outside" specialists to advise him on labor matters, including lawyers, engineers, and efficiency experts. No one objects to his exercising that right. In all fairness, labor should be accorded the right to choose and pay their own experts and representatives as they do when organized in national unions.

While the activities of employee representation plans, company unions, and "independent unions" have often been referred to as collective bargaining, it is obvious that the term so applied does not have the same significance as when applied to national labor unions. Labor leaders have pointed out that an employer insisting on a company or "independent" union as a vehicle of collective bargaining is in a real sense "bargaining with himself."

Company unions commonly depended upon the company for their principal finances. This arrangement, of course, could be discontinued at any time by the company and, while in force, threw the dominance and ultimate control of the union into the hands of the management. Most of the new "inde-

pendent unions" have such nominal dues (an argument which is advanced in their favor by employers and some unorganized employees) that they can hardly be expected to develop much strength. Dues of ten cents a month or twenty-five cents a month can hardly furnish sufficient funds for salaries, offices, halls, publications and literature, legal advice, research, strike benefits, and educational and recreational programs for an effective union, on a national scale.

Furthermore, company unions and "independent" unions do not as a rule attempt to advance the general welfare of workers through social legislation. As a matter of fact, the only instance I have known where a company union attempted to influence legislation was a case in which it *opposed* the abolition of night work for women, being influenced to do so by the employer. In sharp contrast stands the record of organized labor which has been largely responsible for advanced social legislation for the protection of the safety and health of all workers, for abolition of night work for women, for abolition of child labor, and other humanitarian measures.

The National Labor Relations Act has now declared it an unfair labor practice for an employer to finance or dominate a union of his own employees. Company unions as such have therefore been discontinued. Where it can be shown that an "independent union" is financed by, or was started at the instigation of the employer, it also comes under the ban of the National Labor Relations Act. Employers are therefore avoiding such overt acts. It is curious, however, that many of the "independent unions" which have appeared since the Labor Act was passed by Congress have been organized by lawyers. In some instances it is reported that these lawyers have also been attorneys for the companies whose employees are organized in these "independent unions," and, still more strangely, some of these lawyers have not exhibited a normal expectancy of fees from the "independent unions" for their services.²

² *Anti-Labor Activities in the United States*, by David J. Saposs and Elizabeth T. Bliss, New York, League for Industrial Democracy.

Of course, if workers themselves, without secret coercion or assistance from employers, vote that they want an independent union or no union at all, democracy demands that they should be granted such rights, and the National Labor Relations Board has so ruled.

Possible Trends of Independents

It is important to note that since the passage of the National Labor Relations Law outlawing company unions, a marked change has taken place in the attitude and procedures of some independent unions in large corporations such as public utilities and others. An increased attitude of real "independence" toward the company has developed (sometimes quite embarrassingly so to some companies who on occasion have felt that an "independent" may push them around as hard as an old established national labor union but without the balanced judgment and reasonableness of experienced labor leadership). Moreover, steps have already been taken to federate new independents on a national scale in the "Confederated Unions of America (Independent)" with offices in Chicago, and one or two other federations, including the United Utilities Union of America.³ The situation is as yet in flux and it is too early to predict outcomes. Labor history indicates that there have been times when truly independent unions have arisen from a bona fide desire of workers themselves, because of the ineffectiveness or corruption of some existing union, and have later become powerful national labor unions. Such national unions, however eventually tend to either affiliate with or at least co-operate closely with the general labor movement. Incidentally it is a little amusing to see the enthusiasm of some employers for "in-

³ *Business Week*, October 10, 1942, page 86; and October 31, 1942, page 81.

dependent unions" rapidly decrease when "independents" assume size and strength comparable to national labor unions.

Craft and Industrial Unions

Craft or trade unions are those composed exclusively of workers in the same trade, such as carpenters, machinists, plumbers, moulders, etc. In the earlier days of industry the small shops and manufacturing establishments were suitable to such organization of the workers since, in general, a shop employed workers predominantly of one skill. A foundry employed chiefly moulders, a machine shop principally machinists, and so on. With the development of mass production factories, however, all kinds of skilled workers were assembled under one roof, in addition to thousands of workers with no specialized skill or trade. The effect of this change in industry has not only made the organization of scattered skilled workers into trade unions more difficult, but has left outside the union fold millions of factory workers and machine tenders who do not qualify for membership in craft unions. Machine production has largely robbed labor of its craft skill. Instead of the necessary years of apprenticeship training for a skilled artisan, a machine tender can commonly be trained in a few weeks.

The industrial union gradually evolved to meet this situation. It accepts as members all the workers in a given factory, including skilled craftsmen and so-called unskilled machine runners and common labor. The industrial union is not an invention of the Communists nor is it an outcome of the C. I. O. movement. It began within the ranks of the American Federation of Labor as an answer to changed industrial conditions.

The United Mine Workers of America has operated on industrial union lines from its very beginning in 1890. The men's and women's clothing unions, paper makers, brewery

workers, and others operated for years as industrial unions within the A.F. of L.

The American Federation of Labor

Up until 1935 the American Federation of Labor was composed of both craft and industrial unions.⁴ It was a federation of over one hundred national or international unions, the latter term signifying only that such unions included locals in both the United States and Canada. Under the A.F. of L. are state federations of labor and city federations of local unions, usually called central trades and labor councils. The total dues-paying membership of the A.F. of L. in 1935, before the split, was 3,045,347.

Great credit should be accorded the A.F. of L. for this achievement which had been accomplished against great odds and opposition by employers in practically all industries involved. If members of the Railroad Brotherhoods and other unions not affiliated with the A.F. of L. (roughly 600,000) are added, total union membership was about 10 per cent of the thirty-six million gainfully employed workers who might reasonably be considered available for organization.

Unorganized Workers

A large per cent of the American Federation of Labor's three million membership was represented by craft unions. Workers in the great mass production industries—steel, rubber, automobile, cement, aluminum, and others—remained without union protection. There were apparently two principal causes

⁴ As a matter of fact, a number of industrial type unions remained in the A.F. of L. when the C.I.O. split occurred, including the paper makers, brewery workers, and semi-industrial unions such as the railway clerks. Since the split a number of A.F. of L. craft unions have extended their membership in many plants to include all workers, i.e., the machinists, moulders, and electrical workers' unions.

for the failure of organization efforts in mass production industries. No matter how sincerely the craft unions might try to effect such organization, their very form made it almost impossible to succeed. Jurisdictional problems between the craft unions involved, confusion of the workers when approached by a dozen or more unions, and lack of integration of unions in dealing with the employer presented almost impossible difficulties. A liberal official in the A. F. of L. recently made the comment that it was a "tragedy that the A. F. of L. machinery did not respond to the changing needs of the workers. While we all shouted for necessary changes in our government, our own structure remained a relic of the past." This official, however, feels that with more patience the change to industrial unionism in mass production industries could have been accomplished within the A. F. of L. without the split in the labor movement.

"Aristocracy of Labor"

It must be stated frankly that many craft unions, built on a tradition of special skills, taking just pride in their craftsmanship, had tended to become an aristocracy of labor and were not as interested as they should have been in extending to the unskilled the benefits of unionism. They were like many a church which is self-satisfied and has lost its missionary spirit. This was vividly impressed on my mind several years ago when I was the invited speaker at a state convention of one of the skilled craft unions. I had just returned from an investigation of the causes of strikes in many southern textile mills where heartbreaking conditions obtained, including eleven- and twelve-hour shifts, women working all night in the mills, child labor, low wages, and miserable housing conditions. It was a startling contrast to find these skilled workers holding their convention in an exclusive hotel and putting on a very costly banquet. As a union they had taken no active interest in

extending to unskilled workers the benefits of unionism which had meant so much to themselves.

It is perhaps fair to say that this attitude of indifference toward organizing the unorganized was particularly true of some of the officials of craft unions who have exhibited too much concern for their own vested interests, and too little concern for the extension of the labor movement into wider fields.

III

THE A.F. OF L. AND THE C.I.O.

It is to be hoped that not long after the publication of this book the A.F. of L. and the C.I.O. may be reunited in a single labor movement, although one would not venture to prophesy exactly when and how this may come about. In any case, it is felt that the following chapter will still be of historical value and necessary background information for an intelligent understanding of the ongoing labor union movement.

Origin of the C.I.O.

There was an increasingly insistent demand within the American Federation of Labor, coming chiefly from the industrial unions in the Federation and from state and city federations of labor, that the mass production industries should be organized. The following account gives a brief summary of events leading up to the formation of the Committee for Industrial Organization.

"The (A.F. of L.) convention in 1934, in response to demands for organization of the mass production industries, ordered the Executive Council to conduct a campaign of organization in the iron and steel industry and to issue charters to national and international unions when organized in automobile, cement, aluminum, and other mass production industries. However, the Council was obligated to protect the jurisdictional rights of craft unions in these industries.

"The general understanding was that this policy would permit the formation of real industrial unions. The industrial unionists desired to have charters of unlimited jurisdiction issued to organizations in these industries. However, they failed to realize that the Executive Council was so limited by the A. F. of L. constitution that it could not disregard the jurisdictional claims of craft unions.

"When the 1935 convention met, the industrial unionists found that the Council had issued only a limited charter to the automobile workers and that no organizing campaign had been attempted in the iron and steel industry. Thereupon the proponents of industrial unionism demanded a policy which would permit industrial unions to have unlimited charters, such, for example, as the United Mine Workers has, permitting it to include all workers in and about the mines. They based their demand on the need for organizing the great body of unorganized workers and pointed to the impossibility of doing so as long as craft unions were permitted, through jurisdictional claims, to split up the workers in mass production industries after they had been organized.

"The demand of the industrial unionists was defeated by a vote of 18,024 to 10,933. (Each vote represents 100 members or a major fraction thereof.) But the 10,933 votes represented not only industrial unions but various craft, amalgamated, and federal unions and state federations of labor and federations of local unions called 'city centrals.' It is estimated that this vote represented unions having a total membership of 1,100,000, or over 36 per cent of the A. F. of L. membership, indicating a strong and widespread sentiment for forming industrial unions where they would be more effective than craft unions.

"On November 10, 1935, the representatives of eight lead-

ing unions¹ formed a Committee for Industrial Organization. Its purpose was to help organize the unorganized in the mass production industries and bring them into the A. F. of L., as industrial unions. It disclaimed any intention of invading industries where the craft unions were strong, but it believed that craft unions should not be permitted through jurisdictional claims to disrupt industrial unions after they are organized. It considers this particularly important where the craft unions have failed to organize industries and where their jurisdictional claims are mere 'paper claims.'

"In January, 1936, the Executive Council declared that the C. I. O. was 'a challenge to the supremacy of the A. F. of L.' because it was an organization 'dual' (rival) in purpose and character and asked for its dissolution. The C. I. O. disclaimed any intention of becoming a dual organization, pointed out that it did not issue charters, declared that it is as legitimate to encourage the organization of industrial unions as it is to promote craft organization, and insisted that it was going to spend money to develop the American labor movement rather than to aggrandize itself."²

The rift widened and in August, 1936, the Executive Council of the A. F. of L. suspended ten of the unions which were members of the Committee for Industrial Organization, depriving them of representation in the convention of the A. F. of L. which was scheduled for October. In spite of many offers of mediation, the breach grew wider as the C. I. O. organizing

¹ Coal miners union; typographical union; amalgamated clothing workers union; ladies garment workers union; textile workers union; oil field, gas well, and refinery workers union; cap and millinery workers union; and the mine, mill, and smelter workers union. Later the flat glass workers union, automobile workers union, the rubber workers union, and the iron, steel and tin workers union joined the committee.

² *Information Service*, December 5, 1936. Published by the Research Department of the Federal Council of the Churches of Christ in America, 297 Fourth Avenue, New York, N. Y.

drive met with wide success in the automobile, steel, rubber, textiles, aluminum, and other industries. All peace proposals failed. The two groups began to raid each other's fields and bitterness increased. The Executive Council of the A.F. of L. expelled three C.I.O. unions in January, 1938, six more in April, 1938, and ordered many state and local federations to expel all C.I.O. unions.

The split in the labor movement caused much confusion, tied up some sections of industry, and has caused difficulties for some employers willing to recognize a union but beset with conflicting claims. It has also made the work of the National Labor Relations Board more difficult (because of criticisms from both the A.F. of L. and the C.I.O. when its rulings of appropriate units for labor representation in factories and shops did not meet with their particular interests), and has made it more difficult for liberals and churchmen, who are friends of the labor movement, to avoid being drawn into partisan controversy.

Because of a combination of circumstances, however, the split in the movement did not result in a total decrease in union membership, but rather was followed by a sharp increase. This may be accounted for by three factors: (1) the upturn in business about that time; (2) the effect of the National Labor Relations Law; and (3) the stimulus to the older craft unions of the vigorous organization drive of the industrial unions. A large increase in membership has resulted in both groups of unions.

Membership Statistics

As of August 31, 1942, the A.F. of L. reported paid membership at 5,482,581.³ In other words, after the loss of approximately 1 million members by suspension of the C.I.O. unions,

³ Report of the Executive Council of the American Federation of Labor to the 62nd Annual Convention, Toronto, Canada, October 5, 1942.

the A. F. of L. added about 3,400,000 members from 1935 to 1942.

The C. I. O., starting with about 1 million members, reports an increase in membership in its ten unions and in about thirty additional newly formed or affiliated unions to an estimated membership of "over 5 million" in 1942, or a gain of about 4 million members.

The A. F. of L., the C. I. O., the Railroad Brotherhoods and other unions not affiliated with either the A. F. of L. or the C. I. O. (600,000) were estimated to have 11 million members, or about 27½ per cent of the 40 million workers then considered available for organization. The year 1943 brought further increases in union membership, the A. F. of L. reporting 5,939,021 dues paying members, and the C. I. O. 5,285,000, with at least 1,500,000 members of unaffiliated unions (including railway brotherhoods, United Mine workers, and others).⁴

It is to be noted that the workers in the operating departments of the railroad—engineers, firemen, conductors, trainmen, etc.—are organized in Brotherhoods, independent of the A. F. of L., but craft workers in the repair shops such as machinists, boilermakers and others, the Brotherhood of Sleeping Car Porters, dining car waiters who are members of the Hotel and Restaurant workers, and railway clerks belong to the A. F. of L.

The influence of organized labor is not to be measured by numbers alone. It is felt in political life, in social legislation,

⁴ See *Daily Proceedings of the First Constitutional Convention of the Committee for Industrial Organization*, held at Pittsburgh, Pa., November 14 to 18, 1938, when the C. I. O. reported 4 million members. No indication was given as to the number of members paying dues. No official detailed figures on membership were reported at subsequent C. I. O. conventions, but the President of the C. I. O. in an address at the 1943 (November) convention referred to its dues paying membership of 5,285,000. *How Collective Bargaining Works*, New York, The Twentieth Century Fund, 1942, in Appendix C, estimates C. I. O. membership partly from direct reports from individual unions in 1941, or from certain government hearings.

and tends indirectly to affect wage scales even in unorganized industries.

Is the C.I.O. Communistic?

At this point a word must be said of the charge that the C.I.O. is a "communistic movement." Impartial and informed students of the labor movement agree that the charge that the C.I.O., as such, is Communist controlled is without foundation of fact. The unions dominant in the C.I.O. in its formative years, the United Mine Workers and the Amalgamated Clothing Workers, had a record of either expelling Communists who attempted to capture these unions or of disciplining them and forcing them to keep their political tactics out of union affairs. A widely distributed pamphlet which alleged in 1938 that John L. Lewis was a Communist because Communist leaders and papers then praised him, although some years ago they opposed him, failed to point out that the Communist policy and tactics—not John L. Lewis—had changed. Following the meeting of the Communist Third Internationale in 1936, American Communists changed front and, instead of denouncing regular union leaders as "labor fakers" and attempting unsuccessfully to set up Communist-controlled unions in coal, textiles, and other industries, were directed to co-operate with progressive unions in every possible way. They therefore co-operated with, and highly praised John L. Lewis, then President and leader of the C.I.O., and worked hard in the organizing campaigns of a number of C.I.O. unions. (Again, it should be noted that when Hitler attacked Russia the American Communist Party suddenly changed its line of nonintervention in the World War, and proceeded roundly to denounce Lewis, who did not change his attitude with them.)

It is also to be noted that the increase in strength and influence in the C.I.O. of the Steel Workers Organizing Committee (now the United Steelworkers of America) and the

leadership of Philip Murray further establish the fact that the high councils of the C. I. O. are not Communist dominated.

This is not to deny that Communists have been active in a number of C. I. O. unions. The unions affiliated with the Congress of Industrial Organizations (the name was changed to Congress of Industrial Organizations at the Constitutional Convention, November 15, 1938) have properly taken the position that they do not discriminate against a member or an organizer because of his political beliefs, so long as he is a good trade unionist. The United Mine Workers was an exception, in that it had voted to exclude Communists from membership. The unions affiliated with the American Federation of Labor in general take this position also and Communists are members in some A.F. of L. unions.⁵ In fact, in the mass production industries it is the employer who determines whether or not unions have Communist members, for he does the hiring of the employees whom the union must accept as members. As Clinton Golden, Director of the Eastern Region, United Steelworkers of America, has said, "If the employer hires Communists as workers, we have them in the union; if he hires Methodists, we have them."

It is true that the C. I. O., under the great pressure of its rapid and successful organization drives in many industries, took on, among its 1,100 organizers, many workers, including Communists, some of whom later proved unsuitable leaders for ongoing union labor relationships with industry. Some, however, proved capable and effective. The difficulty arises when Communists or adherents of other political parties put party loyalty first, accepting orders from political sources as to

⁵ The A. F. of L., however, in 1935 adopted a constitutional amendment providing that: "No organization officered or controlled by Communists, or any person espousing Communism or advocating the violent overthrow of our institutions, shall be allowed representation or recognition in any Central Labor Body or State Federation of Labor." Such regulations as these and the flat rule of the United Mine Workers that no Communist may be a member of the union can be evaded by a device which is sometimes said to be used when persons join the Communist Party under assumed names.

union policy, adopt tactics inimical to good union practice, and attempt to use labor unions for ulterior political purposes.

One of the tactics which Communists and trade union adherents of other political parties sometimes adopt is to attempt to get labor unions to pass resolutions supporting public policies conforming to their own "party line," without of course drawing attention to the political source of such resolutions! The touchstone of the often suddenly changing Communist "party line" is to be found in what Communists consider to be, at the moment, to the best interest of Russia in the international situation.

When, as in some instances, the unions supply the employees through their own hiring halls, politically minded union officials can give preference to party members even for employment. A penetrating description of the "Trojan horse" methods by which Communists sometimes are said to seek control of unions was given by Louis Stark in *The New York Times* (February 12, 1938). He points out also that conservative labor leaders, who may be remiss in their duties, or racketeers, sometimes seek to quell all opposition by the cry of Communism. He explains that, "on the other hand, genuine Communists sometimes seek to divert attention from their adherence to the 'party line' by accusing their opponents of 'red-baiting.' That is why it is difficult to draw general conclusions about the Communist influence in trade unions unless each case is examined individually." It may be added that the accepted Communist philosophy that the end justifies the means, including prevarication, does not simplify the problem, although, of course, Communists have no monopoly on the practice of this vice. It should be added, on the other hand, that Communists have helped to clean out racketeering in some unions.

A dangerous feature of allowing Communists to occupy key positions in unions lies in that fact that sudden changes of

policy by the Communists are always possible, which might leave unions in danger of being either "captured" or wrecked by such tactics. Labor unions remember bitterly the previous Communist line which was to condemn all regular labor leaders as "labor fakers" and to set up dual Communist-controlled unions of their own. However, the past records of the largest and most influential C. I. O. unions show that they have successfully resisted efforts of Communists to control their organizations.

There have been widespread charges of Communism in the C. I. O. United Automobile Workers, and no doubt the existence of small but active Communist groups within the union and in its leadership were part of the early history in this union, particularly since certain Communist factions bitterly fought each other. The explanation of the early troubles in this union, however, is not simple. They were largely due to enormously rapid growth and lack of executive ability in its leadership adequate to cope with the gigantic administrative problems involved.

At its 1941 convention the United Automobile, Aircraft and Agricultural Implement Workers of America International Union (the new name adopted at this convention) adopted an amendment to its constitution which reads as follows: "No member of any Local Union shall be eligible to hold any elective or appointive position in this International Union or any Local Union in this International Union if he is a member of, or subservient to, any political organization such as the Communist, Fascist or Nazi Organization which owes its allegiance to any foreign government other than the United States or Canada, directly or indirectly."

The United Electrical Radio and Machine Workers refused to adopt a resolution of similar wording but proclaimed the loyalty of the union to this country and its democratic institutions and asserted that any person guilty of acts of disloyalty

could have no place in the organization, either as officer or member.⁶

This entire subject is exceedingly involved, but it is hoped that the facts given and the principles of interpretation which have been indicated will be helpful as guides to understanding particular situations.

As to the whole matter of Communism and unionism, it should be emphasized that the total number of Communists and radicals in the American labor movement is small. Some indication of their numbers will be found in Chapter XI.

Personalities and Trends

The popular impression that the A.F. of L.-C. I. O. controversy was merely a conflict of personalities, particularly between William Green and John L. Lewis, is too superficial. Personalities are, of course, involved in all such conflicts. However, the basic issue has been rather that of the general direction of the labor union movement, and the adoption of effective methods to include all workers, skilled and unskilled alike, in labor unions. In spite of the split, as has been noted, marked progress in this direction has been made, both by the C. I. O. in organizing mass production industries, and by increased membership in the A. F. of L. Furthermore, a definite trend is now apparent in the A. F. of L. for old craft unions such as the machinists, moulders, carpenters, electricians, and others (in addition to the old industrial unions remaining in the A. F. of L.) to accept into membership all the workers in certain plants and industries, thus practically adopting the trend toward industrial unionism. It seemed to many unskilled workers that these new concessions on the part of some craft unions were made grudgingly, particularly in view of the fact that in such unions as the Carpenters (which opened its membership to sawmill workers, etc.) and the Brotherhood of Elec-

⁶ *The New York Times*, September 4, 1941.

trical Workers (which opened its membership to production workers in electrical manufacturing plants), unskilled workers were given "Class B" or special status with limited voting privileges—a fact partially explained by lower dues than the "Class A" membership, which includes benefits of union old-age pensions and other perquisites. It is to be noted also that this broadening of the base of their membership did not affect the craft union form of organization in the building construction industry. While these concessions by some old craft unions, for the most part, came late and were not adequate to meet the problems of a thorough organization of mass production industries before the C. I. O. entered the field, they indicate a significant trend which, if the difficult organizational problems involved can be adjusted with the C. I. O. unions in these fields, may offer new hope for reunion of the two groups of unions.

While the issue was not primarily a conflict of the personalities of Mr. Green and Mr. Lewis, so much has been said on this subject that a study of the labor movement would be incomplete without some observations on these leaders.

William Green

Mr. Green has had long experience in the labor movement, having served for years as Secretary-Treasurer of the United Mine Workers before being elected President of the A. F. of L. in 1924. He once served as State Senator in Ohio. He has exercised his influence for greater harmony among the craft unions in the A. F. of L., helping to straighten out their jurisdictional disputes. This, however, is a knotty problem. Disputes between unions as to which one is entitled to do certain types of work in building construction and other industries often tie up operations by strikes when the employers are in no way at fault. The building trades are overwhelmingly A. F. of L. A significant agreement was reached by the A. F. of L. building unions in

August, 1939, to abstain from strikes for the settlement of jurisdictional disputes. The final results of this agreement can only be judged after the return to normal times following the war emergency during which all unions have agreed not to strike.

In the major conflict between the C. I. O. industrial union movement and the older craft unions Mr. Green has been the spokesman for the Executive Council of the A. F. of L., composed, even before the split, predominantly of craft union leaders. In the councils of the A. F. of L. leading rôles are played by President Hutchinson of the Carpenters, President Tobin of the Teamsters, Matthew Woll of the Photo-Engravers, President John P. Frey of the Metal Trades Department, President H. W. Brown of the Machinists, and other craft union leaders.

John L. Lewis

Publicity centered more upon Mr. Lewis than on any one other leader during the development of the C. I. O., and there is much interest concerning his present and possible future rôle in the labor movement. For these reasons, some space must be given to the major charges which have been made concerning him.

While it is true that Mr. Lewis is an indomitable fighter, and a personality of great forcefulness, it is not so generally understood that he is also a patient negotiator who can sit for days or weeks in conference with employers and come to agreements based on reason and founded on realistic understanding of the facts of the industry. He is known, by operators who have dealt with him, as a man who keeps agreements.^{6a} The writer once witnessed an illustration of Mr. Lewis's insistence upon keeping agreements. A local of the United Mine Workers had gone on strike in spite of the clause in its con-

^{6a} The coal strikes of 1943, while generally considered inexcusable, were complicated by many factors involving wages, working and living conditions of the miners, policies of the operators, and procedures of the Administration.

tract that no strikes or lockouts would occur during the life of the agreement. The recently elected president of the local, feeling somewhat inflated by his new authority, was standing surrounded by fellow strikers near the mouth of the mine, glaring defiantly across at the superintendent who stood not far away. As we talked, a telegram was handed to the union president. It read: "Strike unauthorized and in violation of contract. Get the men back to work. (Signed) John L. Lewis." The sudden deflation of the situation was almost painful to observe. The men went back to work.

Mr. Lewis is a man of wide reading and self-acquired education. In public addresses and formal statements he presents his case with skilled rhetoric and impressive logic, buttressed by factual data, although his offhand cutting remarks so often quoted by the press give a quite different impression. To him certainly goes large credit for the vigorous leadership which overcame enormous obstacles and resulted in the initial success of the C. I. O. organizing campaigns. The fact that Mr. Lewis stayed with the labor movement through thick and thin and during many hard years, when his abilities could have secured him positions in private industry, would seem to attest his honest interest and sincerity, his passion to advance the interests of labor. It seems apparent, however, that he feels he must be in supreme control. He has a temperament of command, and can be ruthless in methods used to suppress opposition to his leadership.⁷

Following Mr. Lewis' withdrawal as President of the C. I. O., and the election of Mr. Philip Murray to that post, causes of irritation arose. Mr. Lewis removed Mr. Murray from his office as Vice President of the United Mine Workers. He then

⁷ A serious condition in the United Mine Workers—where over half of the union's membership is in Districts without autonomy, or with only partial autonomy, their major officers being appointed by the national President of the United Mine Workers—while it has historical reasons—still illustrates the danger of such arrangements which result in inadequate democratic controls in the policies of the international union.

recommended that the Mine Workers Union withdraw from the C. I. O. and open its membership to all unorganized workers in any industry or on the farms. The United Mine Workers in convention in October, 1942, adopted the latter course by an amendment to its constitution, and withdrew from the C. I. O. Mr. Lewis, however, stated his willingness to co-operate toward labor peace and possible merger between the A. F. of L., the C. I. O. and other labor groups. What will be the ultimate effects of these latest policies adopted by Mr. Lewis remains to be seen. The opening of membership in the United Mine Workers to all types of workers is not, however, as startling a change in policy as the public may suppose, since for several years past a department of the United Mine Workers called "District 50" had already organized locals in a considerable variety of occupations.

Congress of Industrial Organizations

To return to an account of the Committee for Industrial Organization, it should be noted that its rapid development occurred both because "the time was ripe" for industrial unionism and because of the very able leadership not only of John L. Lewis but of such outstanding labor leaders as Philip Murray, Sidney Hillman, David Dubinsky, Emil Rieve, the late Charles P. Howard, Secretary of the International Typographical Workers Union, and many others.

In November, 1938, the C. I. O., which had been only a Committee up to that time, held a Constitutional Convention and organized formally as the Congress of Industrial Organizations. John L. Lewis was unanimously elected President of the C. I. O. A constitution with democratic provisions and safeguards was formally adopted. Impartial observers commented upon the youth, progressive spirit, and marked enthusiasm of the convention. Some also felt that the convention established a basis for eventual reconciliation with the A. F. of L., because of the demonstration of C. I. O. strength. However, the Inter-

national Ladies Garment Workers Union, which had been a member of the C. I. O. up until the Constitutional Convention, refused to send delegates or join the Congress of Industrial Organizations on the ground that the setting up of a permanent Congress established a definite dual labor movement and would make eventual reunion with the A. F. of L. more difficult. It declared its purpose to "support every genuine effort, whether C. I. O. or A. F. of L., in their organizational activities for the improvement of the conditions of the workers, and in every effort to achieve peace in the labor movement." In June, 1940, the I. L. G. W. U. finally reaffiliated with the American Federation of Labor.

Organization and Status of C. I. O.

At the C. I. O. convention not only was the Congress of Industrial Organizations established as a constitutional body with a national executive board composed of the presidents of its international unions and organizing committees, but state and local industrial union councils were also set up paralleling the state and city federations of the A. F. of L.

During the organization drives in a number of important industries, the C. I. O. had set up "organizing committees" headed by experienced union officials, appointed by the C. I. O. and drawn from older unions, particularly the United Mine Workers and the Amalgamated Clothing Workers. The marked success of the C. I. O. in organizing hitherto unorganized industries was undoubtedly largely due to the ability and intelligence of these appointed leaders, whose direction and advice saved the young organizations from many mistakes and weaknesses common to newly formed unions. The generous financial help from the older C. I. O. unions also made success possible in industries where organization had often previously failed. At the first C. I. O. convention these "organizing committees," such as the Steel Workers Organizing Committee, the Packinghouse Workers Organizing Committee, and others,

were given the full status of international unions with equal voting privileges and dues-paying responsibilities. But their officers as yet held their positions by virtue of appointment from the C. I. O. They were not yet autonomous and did not yet exercise the democratic privilege of electing their own officials. It would obviously be undemocratic, and leave too concentrated power in the hands of the C. I. O. central authorities to continue this arrangement permanently.

While there appeared to be no provision in the C. I. O. Constitution, as such, for the change to autonomy for these organizing committees, the C. I. O. leaders stated that all such organization committees would be duly organized by called conventions into autonomous unions as soon as self-discipline, education and leadership had been developed within their ranks to the necessary stage. They pointed to the chaotic conditions in the early history of the Automobile Workers Union as indicative of the kind of inefficiency and trouble which was avoided under the appointed organizing committees in other industries.

Since the first C. I. O. convention it is reassuring to note that constitutional conventions have been held by the larger "Organizing Committees," and autonomous international unions have been established. The Textile Workers Organizing Committee and the United Textile Workers became a single autonomous union under the name of the Textile Workers Union of America, affiliated with the C. I. O.⁸ This union was represented by its own elected officers at the C. I. O. convention of 1939. The Steel Workers Organizing Committee also held a constitutional convention in 1942 and an autonomous union was established under the name of the United Steelworkers of America, with Mr. Philip Murray as President. Only one of the forty C. I. O. unions remained as Organizing Committees in November, 1943.

⁸ Francis Gorman, formerly President of the United Textile Workers, called a rival convention and obtained a charter from the A.F. of L. for a group of textile workers under the title of the United Textile Workers of America.

Philip Murray

The election of Mr. Philip Murray in 1940 as President of the Congress of Industrial Organizations brought into a position of national importance a man who is well fitted by ability and experience for such responsibility. He is a man of sterling character and exhibits the stalwart traits of his Scottish ancestry. A respected citizen in his own community, Mr. Murray has for many years served on the School Board of the city of Pittsburgh. He is both aggressive in the cause of labor and reasonable in dealing with employers and the practical problems of industry.

Outlook for Reconciliation

In concluding this section on the A. F. of L. and the C. I. O., the hope may be expressed that a way will be found to bring about a merger of the two groups in a united, progressive and intelligent labor union movement which will include within its ranks both craft and industrial workers, skilled and unskilled. That this is not impossible of accomplishment is indicated in the British Labor Union Movement. Herbert Morrison, Labor Member of Parliament and Chairman of the Labor Community Council, comparing many aspects of British and American unionism, has stated that "side by side within the Trade Union Congress, industrial unions, craft unions and general labor unions, catering to a wide variety of trades, exist in substantial friendship. They take their part in the great work of the Congress as the comprehensive organization of industrial labor. Demarcation [jurisdictional] disputes arise of course, but most of them are settled by direct discussion or through mediation."⁹ This fine record is still true of the British labor movement.

There are grounds for hope in the fact that in most places one finds little, if any, bad feeling between rank and file members of A. F. of L. and C. I. O. unions.

Both national organizations have appointed committees for the continuance of peace negotiations.

⁹ *The New York Times*, July 31, 1938.

IV

HOW GRIEVANCES ARE ADJUSTED

We now turn to a discussion of many problems in organization and practice which are largely common to both craft and industrial unions.

We shall describe briefly the typical union contract and machinery by which unions and employers settle their differences during the terms of their agreements.

The Union Contract

The typical union agreement includes recognition by the company of the union as representing the employees. The agreed-upon terms of the contract are then stated in writing, including wage rates, hours, vacations (if any), seniority rights, holidays, safety and health safeguards, methods of adjusting grievances, the right of management to hire, transfer, or discharge workers for just cause. If, however, a worker feels he has been discharged for unjust reasons or because of discrimination against him as a union man, he may take the matter up like other grievances through the grievance machinery. The latter provision is one of the most important safeguards of workers' rights secured by unionization. Laws covering *property* rights provide that a man cannot be deprived of his property "without due process of law." This union provision has the effect of safeguarding a worker from being deprived of his *job* (often his principal "property right") without due process of democratic procedure.

Since Section 7 of the contract between the Jones & Laughlin

Steel Corporation and the Steel Workers Organizing Committee—now the United Steelworkers of America—is fairly representative of a common form of union agreement for both craft and industrial unions, we quote it as follows:

“Section 7—Adjustment of Grievances

“Should any difference arise between the Corporation and the Union or any employee of the Corporation as to the meaning and application of the provisions of this Agreement, or should any local trouble of any kind arise in any plant, there shall be no suspension of work on account of such differences but an earnest effort shall be made to settle such differences immediately in the following manner:

“First, between the aggrieved employee and the Foreman of the department involved;

“Second, between a member or members of the Grievance Committee, designated by the Union, and the Foreman and Superintendent of the Department;

“Third, between a member or members of the Grievance Committee, designated by the Union, and the General Superintendent or Manager of the Works or his designated assistant;

“Fourth, between the Representatives of the National organization of the Union and the Representatives of the Executives of the Corporation; and

“Fifth, in the event the dispute shall not have been satisfactorily settled, the matter shall then be appealed to an impartial umpire to be appointed by mutual agreement of the parties hereto. The decision of the umpire shall be final. The expense and salary incident to the services of the umpire shall be paid jointly by the Corporation and the Union.”

It is well to have included in the provision for arbitration a clause giving the names of an agreed-on panel from which an arbitrator will be selected, avoiding public men with strong

political ties or ambitions; or an agreement that the Union will choose one arbitrator, the employer one, and these two will choose a third; or that some official such as the State Labor Commissioner will serve as the third member, if needed. Such arrangements avoid misunderstanding and bickering when arbitration is called for. Some employers' associations and unions jointly select and equally share the annual salary of a standing arbitrator or Impartial Chairman.

Union-employer machinery for settling disputes in Great Britain is similar to American practice except that British agreements often add a still further step by referring a dispute to a joint committee of employers and union officials who are not themselves directly concerned with the controversy. If not settled, the matter may then be referred to arbitration, usually with neither side pledged in advance to abide by the arbitration decision, though it is usually accepted by both sides.

The Closed Shop

So much misunderstanding has arisen with reference to "the closed shop" and the "check-off" that space must be devoted here to these particular features, which are sometimes included in union agreements.

A closed shop is one in which all employees are required by the terms of the contract to belong to the union. The closed shop has often been a bitterly contested issue. The employer often takes the position that it is not fair for him to force all his employees to join the union whether they wish to do so or not. Theoretically one might readily agree with a simple statement of that kind. But the practical problems and considerations involved are not simple.

In the first place it may be noted that the principle of the closed shop is not confined to labor circles. Many business and professional groups seek by various methods to restrict participation in their lines of occupation to members of their respective

associations, organizations or institutions. Such wide varieties of human activity as the practice of medicine, undertaking, and the supply of Methodist ministers and other clergy are involved! "Closed shops" in many denominations, for instance, refuse to all women "the right to work" as ministers. The involvement of respectable professions in such practices does not necessarily make them right, but may give sufficient pause to precipitate critics of labor to enable us to consider other phases of the problem. Incidentally employers will be more convincing in their denunciation of denial by unions of "the right to work" when they themselves are prepared to honor the "right to work" at all times. In fact, the failure of the economic system to provide full and continuous employment is closely connected with job protection for union members by means of the closed shop.

It is of interest to note that while some of the worst unions have closed shops, it is equally true that the very best unions with fine records for fairness and intelligent co-operation in industry operate under closed or union shop contracts.¹ It seems evident that other considerations help to determine whether union practice is "good" or "bad," "fair" or "unfair." Some of the safeguards against "bad" unionism will be discussed in a later chapter, including the necessity of internal democratic controls, accounting, and restriction of monopolistic practices.²

A proposal worth consideration has been advanced that before a closed shop contract is signed a vote shall be taken of all employees involved and a closed shop contract signed only if a large majority, perhaps 85 per cent, vote in favor. At the end of one year (or two) if a petition is received signed by, let us say, 20 per cent of employees, another vote would be taken and the result abided by. Such a provision would seem to safeguard a closed-shop situation against an undemocratic freezing of labor status.

¹ See Chapter VIII.

² See Chapter VII and other references.

Moral Considerations

But is it fair that even a small minority should be forced into payment of dues and union membership? If there are democratic controls such as we discuss elsewhere, it is difficult to see why a small minority should not accede to the will of the majority in a matter of this kind.³ In fact, if the question of moral considerations is raised, must it not be considered selfish and unfair for some workers to accept the improvements in wages, hours, and freedom gained for them through the efforts and sacrifices of union members and yet refuse to support the union and pay their dues? Such individuals may be said to indulge in a working class variety of tax dodging. Workers themselves should settle the closed shop issue by voluntarily joining the union. The moral indignation of press and pulpit against the coercion of the closed shop could as well be turned against the selfish acceptance of benefits of labor unionism by workers who refuse to help pay the price and share the responsibility for direction of the labor movement.

Types of "Closed Shops"

There are several types of closed shops. The more common one, which is increasingly referred to as "the union shop," leaves an employer free to hire anyone he desires. If, after two or three weeks' trial period, the employer finds the new employee satisfactory and makes him permanent, he is then re-

³ When a question of conscience or religious scruples has been involved as in a few cases of certain small religious minorities, special arrangements have been made by various unions, allowing union dues of such members to be devoted only to charitable and educational activities of the union and to its expenses in efforts to maintain peaceful and harmonious relations in the plant. Other exemptions and arrangements are also allowed which the writer will supply on request. For fuller discussion of the Church and Labor, see Chapter XVIII. Also, when a new closed or union shop contract has been signed and general conditions are friendly, a union sometimes makes an exception of an occasional "old employee" who is emotionally incapable of immediate adjustment.

quired to join the union. The less frequent type, or technically "closed shop," is where a union maintains an employment office or hiring hall from which the employer must obtain his labor supply, although he is usually free to select such individuals as he may choose from those sent to him by the union. There is also a provision for a trial work period for each new employee during which time the employer can demand another worker if for any reason the employer is not satisfied.

Under certain circumstances political considerations, racketeering, "kick-backs," or contributions from workers to union officials, and curtailment of efficiency have accompanied a completely closed shop.

Most unions, however, conduct their job placement efficiently and fairly, supplying good workers and safeguarding against political or personal preference among their own members, by the rotation system which gives each his fair chance of work.

Many unions are content with a "preferential shop" where union members are given the first opportunity for employment. As an illustration, the Amalgamated Clothing Workers conduct an excellent employment service on a "preferential shop" basis and agree that, if they are unable to furnish a union man on short notice, the employer may hire anyone. The union agreement stipulates that, in any necessary reductions of the working force, nonunion workers shall be the first to be laid off. They are quite free to join the union, however, after they are hired. The end result of such arrangements has proved to be that shops under such agreements tend to become 100 per cent union.

It should be noted in passing that the A. F. of L.-C. I. O. conflict greatly increased the demands of unions for closed shops in order to prevent raiding by rival unions.

Provisions for Appeal

An important matter needs to be brought out with reference to the closed shop, the union shop, or even the "maintenance of membership" shop. The latter, unlike the closed and union shop contracts, does not require that all employees belong to the union. It stipulates, however, that in the cases of all who have voluntarily joined the union or may voluntarily join it during the term of the contract, the employer shall discharge any union members who do not pay their union dues and "remain in good standing" in the union. On signing a "maintenance of membership" contract a period of two weeks is commonly allowed for the resignation from the union of any union members who desire to remain in the employment of the company but not as union members.

In all three types of contract enumerated above, however, the way is open to abuse of power if the union is the *sole judge* of when a member is in good standing. To be sure, a union member has rights of appeal to higher judicatories within the union, but in this case the employer also has a stake. Just as the union has a right of appeal to arbitration against what it may consider an unfair discharge by the employer, so in "closed," "union," and "maintenance of membership" contracts, the employer should have the same right of appeal, using the same arbitration machinery to determine the facts and whether or not the union has been fair in declaring any member "not in good standing." A few union contracts now have such provisions and the impartial chairman machinery of the garment workers and other unions can be so used.

The explanation for the highly emotional nature of the general conflict over a completely unionized shop probably lies in the fact that many employers have not yet fully accepted the principle of collective bargaining. On the other hand, the union suspects that, in refusing to have all employees union members, the employers will use the situation to continue their efforts to

undermine and finally get rid of the union altogether. The general use of the term "open shop" by employers to mean a shop where there is no recognition of, nor collective dealing with, a union (whether or not individual union workers are allowed to work in the shop), has further confirmed the union's suspicion. Probably, as employers more generally accept collective union relations, the matter of the closed or the union shop will cease to be an issue. The history of labor relations in Great Britain seems to confirm this view.⁴

Union Dues—The Check-off

While it is not included in most union contracts, a word should also be said about the "check-off," or deduction of union dues from wages by employers, who turn these dues of their employees directly over to the union treasurer. This is done by consent of union employees as a part of the approved union contract. With all the public outcry against the check-off, it is amusing to note that many employers actually prefer the check-off, since it results in fewer personal contacts of their employees with union officials! It is, however, questionable whether the check-off is a healthy practice in the long run for the best interests of responsible and democratic unionism. The practice was confined chiefly to the Coal Miners (C. I. O.), the Teamsters (A. F. of L.), and a few other unions. Recently the Ford Motor Company included the check-off in the union shop agreement with the Auto Workers Union, and War Labor Board decisions have granted it in steel, automobile, and other industries. It is to be noted that the union check-off is not an isolated practice. Pay rolls are similarly used for "check-offs" by

⁴ Closed shop contracts have been declared legal by the courts. The National Labor Relations Board in August, 1939, however, ruled that refusal by an employer to agree to a closed shop is not a refusal to bargain collectively nor a violation of the National Labor Relations Act. *News Week*, September 4, 1939.

many companies for house rent, doctors' fees, government bonds, and other charges.

The scale of dues paid by the vast majority of trade union members has been the subject of considerable misrepresentation and misunderstanding. Exorbitant initiation fees and high dues and assessments are found in a few craft unions where a monopoly of skilled labor is sought. Even this extreme phenomenon in unionism, except where racketeering has entered into the picture,⁵ would tend to disappear if unemployment were abolished and there were work opportunities for all. Meanwhile the situation has given to the public a dangerously false impression of the labor movement as a whole. The usual initiation fee of most unions is small (\$2, \$5 or \$10) and dues average 25 cents or 50 cents a week—with proportionately higher dues if old-age pensions, sick and death benefits, unemployment insurance, strike benefits, etc. are maintained by the union. A part of union dues remains with the local for local union expenses and varying percentages go to the local federation of unions, the state federation, and the national body (such as the A. F. of L. or the C. I. O.). In general practice, unemployed members are not required to pay dues while they are out of work. In democratic unions no extra assessments can be levied except by majority vote of members at a meeting. Sometimes approval for such meetings must also be obtained from the officers of the national union.

Settling Grievances

It will be of interest to note a typical set of rules for union representatives for their daily conduct with reference to the handling of grievances as they arise in the shop. It is upon such fair attitudes that unions and employers rely for the amicable daily relations which characterize many unionized plants. The following rules were issued by the Steel Workers Organizing

⁵ See Chapter VII.

Committee but fairly represent standards of procedure by many unions, both A.F. of L., C.I. O., and Railway Brotherhoods.

"Do's and Don'ts

"Pointers for Committeemen

"DO get both sides to every grievance. DON'T make a final decision or public declaration on a grievance until you know both sides of the grievance.

"DO refuse to handle unjustified grievances. There are two kinds of unjustified grievances. First, the grievance that is not covered by the contract. Usually grievances not covered by the contract should be corrected, but you cannot do anything about it unless your contract covers it. Secondly, there is the grievance that is not supported by facts. Ascertain all the facts concerning every grievance submitted to you by your fellow employees. If the grievance is not supported by fact, be BIG ENOUGH to say so frankly. If a member of the Union is not satisfied with your decision, he can always take it up at the Union meeting.

"DO give everybody a civil and courteous answer. Every fellow employee, union member or not, deserves a decent reply. If he is treated as a friend and fellow worker and sympathetically listened to, he will feel a lot more friendly toward the Union, than he will if given a short unkind answer.

"DON'T coerce or intimidate anybody into joining the Union. He may join if threatened, but he will never be a good Union man.

"DON'T be kicked into a wildcat or illegal strike. A good many management supervisory and minor officials have deep-seated prejudices against Unions. They feel the Union threatens their power. Some such officials endeavor to de-

stroy the Union by subtle threats, rumors, petty discriminations, etc. Our experience has generally been that the chief executive officials of the companies who have signed Union contracts have done so in good faith and intend that the contracts be observed by their associate management officials in every respect. Where foremen or other minor company officials are obviously unfair and hostile toward Union members, DON'T strike. Instead, such acts on their part should be brought to the attention of Union committeemen and S. W. O. C. staff members who, if necessary, will report such acts to proper company officials as being such as to prevent proper co-operative relationships.

"DON'T laugh if your boss has to go to school. Just as new Union members and officials require education, so do many company officials. Some companies are now holding meetings of foremen and other supervisory officials for the purpose of acquainting them with the Union contract and company policy regarding observance of its provisions."

While not all union representatives live up to these high standards, it is significant that a large national union issues such instructions to committeemen and that this general attitude is fairly representative of a great many unions, both A. F. of L. and C. I. O. The picture, of course, varies in different unions and industries as, indeed, fair dealing varies among employers. In situations which sometimes occur when a union representative is unfair or unreasonable, an employer can often secure relief by appealing to the higher officials of the union. If necessary, in order to "save the face" of the local union official and not "go over his head," this can often be accomplished informally and unofficially by a third party, perhaps a minister or lawyer friendly to both sides.

It is an interesting experience to sit in at a grievance hearing between the company and union representatives, or before the final "impartial chairman" or arbitrator. Evidence is pre-

sented in orderly fashion by both sides and final disposition is made of the dispute. By the use of such typical union machinery, conflicts between labor and employers are settled by democratic processes, without recourse on the one hand to arbitrary and autocratic procedure by employers in which the workers have no voice, or, on the other hand, to emotional and unreasoned revolt on the part of the workers, often culminating in bitterness, strikes, and violence.

Railway Labor Act

After a public utility like the railroad industry is thoroughly organized and no question remains about the union being recognized, further stabilization of labor relations on railroads and airlines is possible as provided by the Railway Labor Act. Under the law company-dominated unions and the check-off are prohibited. Similarly, by inference, the law bans closed-shop agreements. Procedure is established by the law for certifying organizations or individuals as the duly authorized representatives of employees. In addition, the law provides a step-by-step procedure for settlement of disputes over changes in rates of pay, rules or working conditions, and prohibits strikes or lockouts until all the resources of settlement laid down have been exhausted.

"Cooling-off Period"

Basic to this procedure is the requirement on both employers and unions to serve a thirty-day written notice of any contemplated change in agreements affecting rates of pay, rules or working conditions. Then follows direct conferences between representatives of both parties and mediation by the National Mediation Board. If these efforts fail, and either side declines to submit the dispute to arbitration, no change may be made in the conditions out of which the dispute arose

for a period of thirty days. During this period the employees are not prohibited from taking a strike vote or setting a strike date. If a strike or lockout threatens seriously to interrupt interstate commerce, the President has discretionary authority to appoint a fact-finding commission known as an "emergency board." The board must gather evidence, examine witnesses and make recommendations within thirty days from the time it starts to function. During the period the board is meeting and for thirty days after it has made a recommendation, a status quo is maintained. At the conclusion of this final thirty-day period each side may act as it sees fit. But the delays for considered judgment, the fact finding by an impartial commission, and the influence of public opinion all tend to minimize any probability of a strike or lockout.

Because of the pledge of national leaders of labor and management not to resort to strikes or lockouts for the duration, there has been created by Executive Order (No. 9172, May 22, 1942) a procedure which secures further governmental consideration of rail and airline labor disputes without the necessity of threatening action which might interrupt interstate commerce. This Order supplements the procedures of the Railroad Labor Act by providing for the appointment of Emergency Boards of three members from a special panel named by the President. These Boards may investigate and report on disputes for which the normal procedures of the Railroad Labor Act have been exhausted and in the absence of an emergency situation.

When It Never Gets Hot

In peacetime and in industry in general, it would appear that strikes and lockouts can best be kept at a minimum, without unfairness to either side, not by rushing into legislation on the subject but rather by a wide extension of conciliation services, national, state, *and especially local* because of the

fact that the most successful mediation takes place *in the early stages* of threatened industrial disputes.

A "cooling-off period" is unnecessary if the situation never gets hot. Great success has been attained in such avoidance of strikes and lockouts where local mediation services have been made available on a strictly impartial and competent basis. No person interested in reducing the number of strikes and lockouts in industry should fail to read the detailed account, of the remarkable work of the Toledo Industrial Peace Board (*Business Week*, May 3, 1941); the Newark Mediation Board (*Business Week*, July 15, 1939); and the South Bend "Citizens, Inc." (*Readers' Digest*, December, 1941, "Citizens Themselves Prevent Strikes"). Inquiries should be addressed also to the Mayor of New York City on the New York plan, and to the Rev. Noble Elderkin, Chairman, Ministers' Mediation Committee, Akron, Ohio. Write Division of Labor Standards, U. S. Department of Labor for further information.

Government Employees

Many government employees such as postoffice workers, clerical workers, employees in government-owned munitions plants, Navy Yards, and other government workers belong to labor unions. In the many cases where salaries and working conditions of government employees are set by Congress and regulated by civil service schedules, collective bargaining in the fullest sense of the word does not obtain. However, unions constitute in these instances a real safeguard against personal discrimination or unfair discharge of employees, and by taking up specific cases for reclassification are able to secure advances in salaries for individuals and groups. These unions also by publicity and the enlistment of sympathy among the voters are able to focus considerable influence on Congress for improvement of salaries and working conditions. However, definite "political" activity on the part of government employees is forbidden by civil service rules, the Hatch Act, and in other ways.

Rights of Petition and Organization

Government employees, like others, have had to struggle to obtain proper wages and working conditions. There have been times when even the right to submit petitions or facts to Congress and its committees was denied to government workers. It was at such a period of "gag rule" that the Lloyd-La Follette Act was passed in 1912 with the support of the American Federation of Labor. It contained two main provisions. The first guaranteed to all civil service workers the right to present petitions and information on working conditions directly to Congress or its committees. The second guaranteed to postal workers the right to join any organization "not affiliated with any outside organization imposing an obligation or duty upon them to engage in any strike, or proposing to assist them in any strike against the United States." While this latter section applied only to postal workers it has been generally interpreted to apply to all federal employees. Since neither the A. F. of L. nor the C. I. O. "impose an obligation to strike" on their constituent member unions (the matter being left to each constituent union's own decision), a considerable number of unions composed of government employees are affiliated with the A. F. of L. and the C. I. O. Most unions composed wholly of federal government employees carry no-strike clauses in their constitutions. Larger international unions such as building tradesmen, shipworkers, printers, etc., the vast majority of whose membership is not composed of government employees, have no such clause in their constitutions.

In 1903 President Theodore Roosevelt enunciated a no closed-shop policy for federal workers, declaring in the Miller case (that of a bookbinder in the government printing office) that "no person shall be refused employment or in any way discriminated against because of membership or non-membership in any labor organization."

It would seem anomalous to see the government denying to

its own employees the two features of unionism most disliked by private industry (the closed shop and the strike), but for the fact that in the case of government employees redress can be sought by them for working conditions and wages (though often slowly and inadequately) through legislative processes and pressures. Such avenues of redress are not open to employees of private industry unless indeed they throw their weight toward more and more government regulation of private industry, or toward government ownership. Probably most private employers would prefer what they consider the disabilities of closed shop and strike, than to force labor into such channels of political action.

Is the Government Always Right?

It must be admitted also that there are, in the traditional claims of government officials that any strike of government workers "is a strike against the United States," and a blow to the prestige and authority of government itself, some very subtle temptations to the official mind. A public administrator needs to be on guard against the assumption that the government and all its officials are always right, and that government employees do not need the democratic rights of collective bargaining and impartial arbitration, however much the government may insist upon such rights for workers in private industry.

This whole subject is a fascinating one and too important in its ramifications to attempt to do full justice to it here. The enormous increase in government pay rolls and in municipal and state-owned welfare, traction and other enterprises, in some of which working conditions are very poor, makes the subject still more important.⁶

⁶ For further study see the following: *Problems of the American Public Service*, monograph 9—"Employer and Employee in the Public Service," by Sterling D. Spero (New York: The McGraw-Hill Book Company), 1935; "Public Personnel Administration," by Mosher and Kingsley (New York:

As in the field of labor relations in private industry, the best solution is not to be found so much in academic discussion of abstract rights, but in constructive experiment in union-management co-operation for efficiency with due regard for the rights of employees and employer (in this case the government). Such a constructive demonstration is being made by the Tennessee Valley Authority with its mutually co-operative relations with A. F. of L., C. I. O., and independent unions and may well be studied by government officials and private employers alike.

In addition to the regulations indicated above in connection with direct employees of government, the Walsh-Healey Act stipulates certain conditions of employment for employees of *private contractors* that have government work, including payment of "prevailing wages" and other conditions. Employees of private concerns that have government contracts are free to strike (in normal times) and may or may not have closed shop agreements with their employers.

Peaceful Renewal of Agreements

Returning now to a consideration of general union agreements in private industry, it is important to note that even when a union contract expires and the employers and union may have failed to agree on terms for a new contract, a strike or lockout can be avoided by mutual agreement to continue operation on the old terms until negotiations are concluded and the new contract signed, the new terms being then retroactive to the expiration date of the old contract. This arrangement prevents loss by the industry and widespread suffering and hunger among the workers. That this arrangement is

Harper & Brothers), Part V, revised edition, 1941; *The Labor Movement in a Government Industry*, by Sterling D. Spero (New York: George H. Doran Company), 1924; also the "New York City Transit System: Public Ownership, Civil Service and Collective Bargaining," by Professor Arthur Macmahon in the June, 1941, *Political Science Quarterly*.

entirely workable has been proved by the United Mine Workers whose offer to continue work during extended negotiations was accepted for fourteen consecutive years by the anthracite employers, and in some years by the bituminous operators.

Fair Dealing

Fair dealing and co-operation for efficiency on the part of unions where they are established is the best form of advertising for the union movement. On the other hand, perhaps no one thing slows down unionization of new plants so seriously as reports of unfair practices by unions in already organized industries. Unbusinesslike and irritating delays in necessary adjustments in employment problems; failure to organize competitors, leaving an unfair burden on unionized plants; union officials who are "too busy" to be bothered with prompt attention to employers' requests for conference and adjustments; problems arising from inter-union conflicts, both jurisdictional disputes within the A.F. of L., and C. I. O.—A. F. of L. conflicts—these and other failures of union officials to live up to the best practice of the trade union movement are the worst form of bad advertising for organized labor. Of course, similar charges can perhaps as frequently be made against employers and employers' associations. Both sides need to remember that their own cause is helped in the end by businesslike procedures and fair dealings.

In the daily contacts of employers and union representatives a spirit of fairness and give-and-take will make life more pleasant for both sides. Under such conditions each learns not to press the other too far.

In the interest of stable and responsible relations, both sides must learn to make reasonable compromises and adjustments. This is true, of course, of all human relations wherever groups, nations, a family or individuals endeavor to live together in peace.

V

WARTIME STATUS OF LABOR

A voluminous literature has been developed on the maze of complex changes in the conditions of employment and the status of labor in a wartime economy. Reports are available from all the government boards involved, from manufacturers' associations and Chambers of Commerce, from labor organizations and civic bodies. Books and magazine articles abound.¹

Subject matter involved in a comprehensive treatment of labor in wartime would include problems of labor supply, training, hours, wages, overtime pay, adjustment of labor disputes, employment and unemployment, migration of workers to war industry areas, child labor, women in industry, night work and "graveyard shifts," housing, the increase in juvenile delinquency and prostitution due to wartime working and living conditions,² transportation to and from work, sanitation, accidents,³ health, community welfare including day nurseries for children of working mothers, morale, restrictions on labor and employers to retain labor where needed, "labor hoarding" by employers, racial justice in employment, the

¹The Industrial Relations Section, Department of Economics and Social Institutions, Princeton University, Princeton, N. J., makes available bibliographies on *Problems and Policies in Industrial Relations in a War Economy*. The "fifth supplement" was published August 15, 1942. *The Annals of the American Academy of Political and Social Science* for November, 1942, presents a volume of articles by experts in the many phases of "Labor Relations and the War." 3457 Walnut Street, Philadelphia, Pa. \$2.00 (paper).

²See *Information Service*, Research Department, Federal Council of Churches—issues, May 1, 1943; January 15, 1944.

³In 1943, over 18,500 workers were killed and nearly 2,000,000 injured in industrial accidents.

effect on efficiency of both management and labor of "cost-plus" contracts, controls of inflation, reduction of consumer goods, rationing, the relative controls and fluctuations of wages, profits, salaries of executives, and prices of both industrial and farm products.

Economic Gains or Losses

One needs to view this complex picture with patience, tolerance and unselfishness, no matter what class one may belong to. For it is human nature to feel that one's own sources of income have been frozen solid while the prices one pays for many things have been only slightly chilled. There are questions also of *comparative* gains or losses in economic well-being among labor, stockholders, farmers, white collar workers, and professional classes. If the general trend is toward leveling up of the lower income groups, a social and economic gain will have been registered. Whether or not this result, if it occurs, is temporary or permanent depends upon postwar planning rather than on current conditions.

It is not possible to discuss in detail this rapidly shifting picture. Rather we would point out that *an understanding of the basic facts about the labor movement and labor relations*, an outline of which we endeavor to present in this entire volume, is essential in approaching and understanding the more specific data, reactions and problems connected with particular industries or current events in labor relations at any given time.

We shall attempt to comment only on a few phases of major importance in gauging the status of labor in wartime.

No Strike Agreement—War Labor Board

In December, 1941, the organized labor movement, A.F. of L. and C.I.O., and the nation's employers voluntarily

agreed to forego the use of strikes or lockouts in war industries for the duration of the war. All disputes are referred to the National Labor Relations Board when the issue is one of organization, or in organized industries to the regular union-management machinery for adjustment, then to the conciliation services of the Department of Labor, and for final decision to the National War Labor Board, which is composed of equal numbers of representatives of employers, labor, and the public. Full reports and copies of directive orders and opinions of the Board covering a vast number and variety of cases including those handled before and after the wage freezing act are obtainable from the National War Labor Board, Department of Labor Building, Washington, D. C. As has been noted, additional Emergency Boards have been set up for railway labor.

Generally speaking, remarkable success has been achieved in eliminating interruptions to production through strikes or lockouts. Considering the millions of men involved in war industries and such factors as the rapid expansion of production and changes of processes, the literally millions of "new hands," the limited supply (until they can be trained) of foremen and supervisors who know how to direct labor intelligently and fairly, the rising cost of living (all of them causes of "labor trouble" in ordinary times), it is an industrial miracle that from December 7, 1941, to October 18, 1942, monthly "percentages of time lost through strikes had remained consistently around eight one-hundredths and nine one-hundredths of 1 per cent, with the exception of the first three months and of May, 1942, when the percentage was six one-hundredths of 1 per cent."⁴ This represents, in general, remarkable restraint on the part of management in not taking advantage of labor's no-strike agreement by uncompromising

⁴ *The New York Times*, October 18, 1942. Wayne L. Morse, public representative on the War Labor Board. Later reports showed average for entire year 1942 as six one-hundredths of 1 per cent; and for 1943 as eight one-hundredths of 1 per cent.

attitudes and refusal of all concessions. It represents also, in general, remarkable restraint on the part of labor unions which have not authorized the few sporadic walk-outs which have occurred but have usually got the men back to work quickly. Blame for strikes, when they occur, would have to be fixed after determination in all cases whether it was the employer's fault, the fault of conflicting government boards, of highest administration officials, of organized labor, or whether the disturbances occurred in shops with independent unions or no unions at all.

In any case it seems clear that voluntary relinquishment of the right to strike brings better results in eliminating stoppages and maintains higher production, than compulsory arbitration or a labor draft. A scientific study entitled *Labor and National Defense*, published by the Twentieth Century Fund, after reviewing both peacetime and previous wartime experience in Canada, Great Britain, Australia, and the United States, comes to the conclusion that *compulsory* arbitration is unworkable in a democracy.⁵

The effect of the Smith-Connally Act with its nonsensical combination of provisions for compulsion against strikes, and invitation to the workers to take strike votes, has been to increase rather than decrease strikes. Equally unworkable and even more dangerous is the presently proposed national service act or labor draft. For such conscription, labor feels, would constitute a step in America toward the nazi and fascist concept of slave labor. History is full of illustrations of the eventual adoption by military victors of some of the worst features of the enemy's culture, which it was their professed intention to stamp out by military force. Let us hope that it won't hap-

⁵ *Labor and National Defense*. The Twentieth Century Fund, 1941. Also see *Information Service*, Federal Council of Churches, April 5, 1941, and April 19, 1941.

pen here! American labor, *because it is free*, has turned out the highest production in the world.⁶

Co-operation for Production

It can be expected that the success of union-management co-operation for production will in the long run depend on the degree to which employers and unions "take a leaf out of the book" of those industries and unions which have pioneered in this field for many years. Chapter VIII is devoted to a detailed account of successful demonstrations of such co-operation in many industries and involving A.F. of L., C.I.O., and railway workers.

Representation on Government Boards

While war inevitably tends to concentrate all power in the hands of the state, it becomes all the more important for the preservation of democracy at home and for the probable "shape of things to come" after the war, that democratic representation at least in advisory capacity should be accorded to national economic organizations, including those of employers, labor, farmers, and consumers, on the various all-powerful government boards and agencies. While the United States has been slower than Great Britain to adopt such a policy, and has so far taken it less seriously, yet an increasing number of our government boards now have advisory committees of varying degrees of effectiveness. These advisory committees vary also in their degree of representation of economic interests. Farmers' and consumers' organizations seem most frequently to be the forgotten men in advisory committees. It is to be hoped, for the sake of the preservation of the whole spirit of

⁶ Sumner Slichter writing on "The Labor Crisis" in the February, 1944, *Atlantic Monthly*, reviews impartially the facts about wages, prices, and strikes, and suggests a national labor policy calculated to adjust wages and control strikes without adoption of a general labor draft.

democracy, that government agencies will increasingly rely upon representative, democratic advice from economic groups *before* issuing the sweeping directives and other orders which so profoundly affect the lives of all citizens.

Preservation of Democracy at Home

Within the limitations of war measures and of the unprecedented regimentation and conscription of a total war administration, it can be said with pride that up to the present writing, the United States, like Great Britain, has preserved to a remarkable extent the democratic liberties of freedom of speech, press, and assembly, and provisions for freedom of religion and rights of conscientious objection to war. Maintenance of general civil liberties has been subject also to what the government has considered military necessity such as the evacuation from the West Coast of all American citizens of Japanese parentage without trial and without regard to their rights as citizens under the constitution.⁷

In the long run, and when war emergencies are over, democratic procedures may well take on new forms and patterns in order to assure the four freedoms—including *freedom from want*, both in the world at large and in our own land. It should be remembered that the ultimate economic test of our American way of life and of "freedom of enterprise" will be not merely how much freedom of enterprise is enjoyed by a comparatively few private owners, but rather how much freedom of enterprise is enjoyed also by sixty million working people as judged, first of all, by whether they have *jobs*; and, second, by how much they participate in the ownership of American industry and of American farms.

⁷ See 1942 *Annual Report of American Civil Liberties Union*, 170 5th Ave., New York. Price 10¢. See also the Tolan Committee on Interstate Migration, Report on National Defense Migration, published May, 1942. U. S. Government Printing Office, Washington, D. C. (77th Congress, 2nd Session, House Report No. 2124).

VI

STRIKES AND HOW TO PREVENT THEM

The use of strikes by labor unions even in peacetime constitutes perhaps the greatest single cause for the unpopularity of organized labor in the public mind. Editorials and cartoons constantly point out the inconvenience and suffering of the innocent public during industrial disputes. Often the public, because of its tolerance of bad conditions, its lack of information on the issues involved, and its selfish indifference, is far from being as "innocent" as it likes to believe. It must also be pointed out that the press gives to the public an utterly distorted impression of the frequency or seriousness of strikes. This false impression is probably due not so much to the anti-labor bias of some newspapers as it is to the fact that it is considered "news" only when there is labor trouble. When unions get along well with employers, there is seldom any mention of the fact in the press. If on any given day the papers were to print a list of union plants where there is no trouble, there would hardly be room for any other news in the paper. There is urgent need on the part of the public for a clearer understanding of the facts with reference to the attitude and record of organized labor in connection with strikes.

Causes of Strikes

As a result of the writer's many years of experience in careful investigation of the causes of strikes in all sections of the United States, a number of observations seem justified. In the first place, it is not primarily "agitators" but conditions which

most frequently cause strikes. In the course of a thorough study of a strike in the Colorado coal fields some years ago, we discovered that while the strike had been led by the Industrial Workers of the World—a radical organization—a very small percentage of the strikers were members of that organization or subscribed to its philosophy. When questioned as to why they followed such radical leaders, the miners stated that conditions were so bad that “we would have followed anybody.” As one man put it, “the Women’s Christian Temperance Union could have led this strike and we would have followed them just the same.”¹

In general, it is always well not to take anything for granted but to investigate beneath the surface of strikes, behind their leadership, exploring possible causes in wages paid, hours worked, housing conditions, the speed-up, denial of the right of organization, or other working conditions.

In the wave of textile strikes in the South a few years ago, mill after mill of unorganized workers walked out on strike because of discontent over the oppressive burden of the speed-up or “stretch-out” system. It was often after they struck that labor organizers arrived, sometimes at the strikers’ request, to help organize them into unions.

I talked with a group of these strikers where there was no sign of a union. They declared that they just couldn’t stand the speed-up any longer. They described the industrial engineers hired by the employer to get more work out of them as “minute men” because they used stop watches to time operations. With characteristic mountain humor they declared that “one of these minute men died and was being carried to his grave by six men. But he just couldn’t stand it and sat up in his coffin and shouted ‘four men would be plenty to do this job.’”

¹ Statistics are given in the closing paragraphs of Chapter XII on the incomes of low wage groups in the United States which indicate potential causes of industrial unrest.

Find Out the Facts

It would be helpful if in each strike situation the public would take pains to learn exactly how much money industrial workers earn *annually*. In arriving at fair judgments with reference to wages, it is important to guard against being misled by reports of "high wages" based on *hourly rates* only. No man can live on an hourly rate of pay. The question is, how much work does he get for the year? The average annual income of wage earners is the only fair basis for judgment. Groups of ministers and other citizens who interview an employer or are taken on an inspection tour through a factory often fail to obtain full information on these vital points. Groups desiring full information should question the management more closely, visit union headquarters, asking the same questions, and make a final check with state or federal labor department sources. Failing time for personal interviews with both sides and government officials, citizens can at least make a point of reading not only newspaper accounts but labor papers or liberal magazines in the honest endeavor to consider the situation from more than one point of view.

Middle-class people whose only contacts with labor are with the relatively highly paid plumbers, carpenters, and others who come to do house repairs, need to keep in mind the above considerations and also realize that the "union wages" of the building trades are not at all representative of the lower union scales in industry as a whole.

To the objection that union wages "place all workers on the same level and eliminate incentives to higher production by individuals," unions usually reply that they have no objection to employers paying certain individuals higher than the union scale which is agreed on only as a *minimum*. Few employers feel that they can afford to adopt such a policy in view of the relatively high union scale.

However, the above objection has no weight where agreed-

on union scales are *piece-work rates*, or hourly rates plus a production incentive bonus, as they are in coal mining, men's and women's clothing manufacture, in some textile manufacturing, and in certain processes in many other industries.

In times of industrial unrest every intelligent citizen will desire to find out what the conditions are which workers feel discontented with, rather than blaming all strikes indiscriminately on "agitators." The same advice would hold good for "pro-labor" enthusiasts. All that glitters is not gold. Jurisdictional disputes, possible rackets, or unreasonable demands need to be identified.

It is important also to judge demands for shorter hours, higher pay and restrictions in the amount of work in the light of the workers' justifiable fear of "working themselves out of a job." Men become desperate when large numbers of their trade are already unemployed and their very means of livelihood is further threatened. In Chapter VIII illustrations of constructive measures are given which mitigate the effect of industrial changes, but unhappily such arrangements are not general, leaving labor with a natural tendency to resist changes which appear to throw more people out of work. Labor unions are even reluctant during times of full production, like the present, to give up safeguards which they fear they might never get back again. This does not wholly excuse some of the artificial restrictions and arbitrary rules of certain craft unions, such as some of the musicians and others, but particularly various building trades unions. As a matter of fact, it is charged that the building construction industry itself, including manufacturers and distributors of materials, and contractors as well as labor, is involved in widespread restraints of trade resulting in artificially high prices. The Federal Department of Justice has begun a nation-wide investigation in this connection.

Harsh judgment of restrictive practices of labor would be softened by realizing that employers also often adopt restricted

production policies in order to keep prices high, and the government has encouraged similar practices in agriculture. These policies are all results of our "scarcity economy" practices and will probably not be changed much until the thought of the nation turns to saner method of maximum production for the widest use, with the necessary changes in distribution of purchasing power.

Fewer Strikes When Labor Is Organized

As a matter of fact, it has been the writer's observation that there are more strikes where there are no labor unions, or where employers are actively opposing the formation of unions, than there are in industries where established unions exist.

Any generalization on this matter must, of course, take into account other variants which increase strike frequency, such as a rising business cycle, increasing prices, racketeering situations, periods of industrial development in a national economy, and political factors. It would seem justifiable to say that, other conditions being equal, there tend to be fewer strikes where labor is thoroughly organized.

There are various reasons for this. In the first place employers, in order to make necessary adjustments to remove industrial unrest, must be aware that it exists. Where there are no open channels for free, fearless expression on the part of workers, it is very difficult for an employer to know the true state of feeling among his employees.

While I was personnel director in a factory I had an enlightening experience in this regard. Many complaints had come from a brick-cleaning gang. I investigated, interviewing the foremen, the men, and inspecting the records. I decided the men were underpaid and attempted to adjust the situation with the mill manager. He declared the gang was lazy and wanted to know what I knew about cleaning bricks anyway.

I didn't know much, having recently left the pulpit for my job in the mill. The manager said, "Go clean some bricks yourself before you talk to me about it." So I went to work with the gang. At the end of the day I still believed the men were underpaid, but I *felt* very differently about it than when I had arrived at this conclusion before. The foreman had come around and instructed us to pick up and clean (chip off old cement) only the bricks in front of each of us after a section of wall had been pulled down. As soon as he left, however, a fellow-worker ran all around the lot and picked up all the clean bricks and added them to his pile. Since we were paid by the hundred, he made good money with little effort! I did not feel any better when I recalled that the manager had cited this man's pay to me as that of a good worker and had alleged that the rest of the men, now including myself, were lazy.

Finding Out How the Workers Feel

Later, the foreman returned, fearing that I would not work hard enough. He stood and watched me work all afternoon with the insulting implications involved. I had heard and read about labor's aversions to speed-up and the close supervision of a driving foreman, but I never before *felt* about the speed-up the way I did then. Although a philosophical pacifist, it was difficult for me not to heave a brick at the foreman. The point is that *no one except the workers themselves know how they feel* about working conditions. Scientific management must know how they feel so that it can make fair and necessary adjustments. Employers who are afraid of unions because they bring up grievances remind one of an old lady on a visit to a boiler house. She was greatly frightened when the safety valve blew off with a great noise. She should have been delighted, since the safety valve averted an explosion and saved her life. A union is a safety valve. It often lets off steam and averts a more serious explosion by calling attention to dis-

content over conditions and providing machinery for their peaceful adjustment.

A mill owner in the South, whose workers were unorganized, said he was dumbfounded when his employees went on strike. He had no real way of knowing how they felt. I have also known several cases of company unions which were allowed to discuss only minor grievances, major issues being taboo. Strikes resulted.

The workers themselves are the only ones who know how they feel about a given situation. An intelligent manager welcomes a good labor union which, whatever else its faults, does not fail to keep him informed on this subject and give him a chance to adjust matters.

In the second place, when once the right of labor organization has been conceded by the employer, agreements are signed which provide machinery for the adjustment of grievances during the terms of the contract. Such agreements, as shown in Chapter IV, commonly include a stipulation that the union will not resort to a strike nor the employer to a lockout during the term of the contract, but that both will use the democratic machinery provided for the peaceful adjustment of disputes.

The effect of thorough organization as a safeguard against strikes was clearly illustrated in 1937. It was during the widespread confusion of the C. I. O. strikes in the automobile industry, when employers were opposing the formation of unions, that the Amalgamated Clothing Workers, another C. I. O. union, quietly negotiated a new agreement with employers providing better conditions for 140,000 workers without ever stopping a wheel. As the 1937 Labor Sunday Message of the Federal Council of Churches declared: "Many industries in this country have been organized over a long period of years. It has been demonstrated that it is possible for organized employers and organized employees to maintain harmonious relations and to adjust their differences through joint concilia-

tion without recourse to strikes or lockouts during the terms of their contracts.”

Timing of Strikes

Strikes occur most frequently during upturns in business. During recessions workers suffer from wage reductions, or part-time employment or total unemployment. Jobs are too scarce to risk by making demands for higher pay or better conditions. During upturns in business, workers see their companies apparently prospering and note the increasing dividends declared to stockholders. At the same time, labor feels the pinch of rising prices in family budgets which have little or no margins. Demands for higher wages follow, which are often obtained by negotiation in organized industries. In unorganized industries, when employers do not raise wages voluntarily to meet adequately rising costs of living and make a fair division of profits with labor, strikes often follow. Demands are made for higher wages and usually for collective bargaining agreements which labor, over a long period of years, has found to be the only adequate method of assuring its fair share of the productivity of industry.

Peaceable Strikes

Under some circumstances strikes can be, and many have been, conducted peacefully and without coercion or violence. By the collective action of refusing to work under conditions considered unsatisfactory, by publicity and enlistment of public sympathy, by peaceful picketing of the plant, by economic pressure on the employer (if he has orders and is anxious to resume production), by the friendly mediation of state and federal officials or church and citizens' committees, strikes may be and many are settled without public disorder and with a minimum of bad feeling. While even peaceful picketing, when a union does not have a reasonable case, may be unfair to the

employer, the latter can employ the same device, using counter pickets or signs in the window to state his own case to the public. Another phase of the picketing problem is when all unions flatly refuse to pass a picket line set up by another union. While a large degree of solidarity is essential to the labor movement, and at times justifiable strikes have been lost because such inter-union loyalty has been lacking, it would seem that other unions expected to respect a picket line should have some voice in preceding negotiations before a strike is imposed, or as in British practice, the dispute should be referred for conciliation to a committee of employers and union officials not connected with the industry involved. Also, no union should refuse to work in violation of its own contract calling for no stoppages for any cause.

Nonviolent Resistance

There have been a few experiments in "pacifist" nonresistance, applying Gandhi's method.² In Reading, Pa., Hosiery Workers lay down on the sidewalks at the factory gates, making it necessary for nonstrikers to walk on them in order to get into the factory. Years ago the I. W. W. lined the streets for several blocks during a parade and, by simply refraining from applause when President Wilson passed by, secured a much desired interview. In several strikes members of the Amalgamated Clothing Workers have lain down in front of trucks attempting to move goods. Robert Brooks, in his book, *When Labor Organizes*,³ describes also a method used during

² Statistics are not available on the number of out and out pacifists and conscientious objectors to all war who are members of labor unions. In visits to Civilian Public Service Camps, the writer has met members of various unions. Incomplete replies from C. P. S. camps to a query on this subject show a spread of union membership in some forty-five different unions in all branches of the labor movement. Unlike the churches, allowance for conscientious objection to war has not, to the writer's knowledge, ever found reflection in official statements by labor bodies.

³ Yale University Press, New Haven, 1937.

the Toledo Auto strike in which strikers ignored an injunction but quietly and voluntarily submitted to arrest and filled all police wagons and the jails to overflowing. Such techniques may arouse public sympathy by the voluntary suffering of strikers, but require very strict discipline and self-control and training to prevent such demonstrations from turning into riots.

Causes of Violence

When the civil liberties of free speech and peaceful assemblage of strikers are denied by local authorities, as frequently occurs; when local police or company guards are provocative or undisciplined; when strikers resort to personal violence against nonstriking employees or to the type of mass picketing which makes it physically impossible for anyone desiring to do so to enter the plant; when the strike is a prolonged one so that workers' wives and children suffer from hunger and the men become desperate; when union leaders are unjustifiably arrested and thrown into jail; when tear gas or firearms are used against the strikers; when spies in the employ of the company insinuate themselves into the union, often becoming union officials, and circulate among the strikers, purposely urging them on to violence in order to throw public opinion against the union—a state of great bitterness, hatred, and public disorder follows. During such industrial disturbances, when mysterious explosions occur or stink bombs or bricks are thrown in a strike city, unless the perpetrators are caught red-handed, it is never possible to tell whether these acts are the work of spies hired by the company, or done by the strikers themselves.

The situation may end in complete defeat of the strikers followed by years of bitterness, sullenness and relatively inefficient labor in the plant. It may terminate in complete victory for the union, producing a "victory complex" in union members which makes it hard to live with them for some

time. Or the strike may be finally settled around the conference table where it could have been settled in the first place—without the hardships and losses which a strike imposes on all parties concerned.

Sit-down Strikes

The wave of sit-down strikes had largely subsided even before this method of conducting a strike was declared illegal by the U. S. Supreme Court. The matter is not now an immediate issue, but one or two observations may be made.

While sit-down or sit-in strikes assumed large proportions for the first time during 1937, chiefly among the newer C. I. O. unions, they had not been unknown in previous American labor history. The antecedents of sit-down strikes in this country were the "stoppages" practiced over twenty-five years ago by the clothing workers in Chicago and New York before they became organized. Workers merely sat idle at their machines as a protest over grievances and as a method of securing adjustment from the management. A sit-down strike occurred as far back as 1906 in the Schenectady plant of the General Electric Company. An overnight sit-down occurred in Akron in the summer of 1935 on the part of the United Rubber Workers, then an A. F. of L. union. In 1937 adoption of the sit-down technique seems to have been a spontaneous action of rank-and-file workers, chiefly in the new industrial unions, rather than a studied policy promoted by national leaders. In fact, responsible union leaders probably view the discontinuance of the sit-down with relief. It is a two-edged weapon, dangerous to the union itself. By its use, it is too easy for a small minority in a union to cause unauthorized strikes, defying discipline and democratic union procedure.

Law and Order

During the wave of sit-down strikes, it was typical of our strange American psychology on the subject of "law and order" that some of the loudest critics of the sit-down and of other high-handed strike tactics as being illegal, themselves publicly expressed approval not only of defiance of the National Labor Relations Law, but also of acts of open violence and mob action directed against strikers. The mayor of an eastern city announced that workers in his city would be allowed to organize and strike, but that no outside labor leaders would be allowed in the city. Illegal violations of constitutional civil liberties have been condoned, and even participated in, at various times by peace officers in many parts of the country and in strike situations in Arkansas, Kentucky, California, Jersey City, and many other places, not to mention innumerable lynchings in southern states. America has a long way to go before it learns to respect its own laws. In the interest of public welfare, it is urgently necessary that crude methods of coercion by all parties in conflict be abandoned.

The "general strike" of all labor in a given city or country has been tried only a few times and has always ended in failure on the part of labor. The reason for this is that such a complete paralysis of community or national life inevitably constitutes a challenge to government itself. Labor, unless it desires and is prepared to carry through an actual revolution and seize the government and all its agencies, finds itself confronted by the police, military and judicial power of the government, and has to give in.

It should be noted that neither the A. F. of L. nor the C. I. O. has the power to call general or sympathetic strikes. Each international union is autonomous and must decide for itself. The best union practice calls for a majority secret ballot vote by members of the union involved, before a strike can be called.

"The Right to Work"

During strikes involving a demand for union recognition, the basic issue is often beclouded by employers, press, and radio commentators. A cry goes up about "the right to work for those who wish to work," as well as the "right to strike for those who wish to strike." This misses the whole point at issue, which is not the right to strike or the right to work, but *the right to work under the democratic safeguards of collective bargaining agreements*. When this is flatly denied by the company, "back-to-work" movements are not necessarily indicative of the real desires of the workers.

As a matter of fact, investigation by the National Labor Relations Board has shown that while "back-to-work" movements during a strike are ostensibly "civic movements," they are often instigated directly by the employer or indirectly through a company union, an "independent union," a labor spy agency, or through business associates in the community. The "Mohawk Valley Formula," as it is called, for a "back-to-work" movement, first devised by the Remington Rand Company when involved in a strike by the American Federation of Labor, but widely used in the "little steel" strike and elsewhere, is summarized by the National Labor Relations Board as follows:

"First: When a strike is threatened, label the union leaders as 'agitators' to discredit them with the public and their own followers. In the plant, conduct a forced balloting under the direction of foremen in an attempt to ascertain the strength of the union and to make possible misrepresentation of the strikers as a small minority imposing their will upon the majority. At the same time, disseminate propaganda, by means of press releases, advertisements, and the activities of 'missionaries,' such propaganda falsely stating the issues involved in the strike so

that the strikers appear to be making arbitrary demands, and the real issues, such as the employer's refusal to bargain collectively, are obscured. Concurrently with these moves, by exerting economic pressure through threats to move the plant, align the influential members of the community into a cohesive group opposed to the strike. Include in this group, usually designated a 'Citizen's Committee,' representatives of the bankers, real estate owners, and business men, i.e., those most sensitive to any threat of removal of the plant because of its effect upon property values and purchasing power flowing from payrolls.

"Second: When the strike is called, raise high the banner of 'law and order,' thereby causing the community to mass legal and police weapons against a wholly imagined violence and to forget that those of its members who are employees have equal rights with the other members of the community.

"Third: Call a 'mass meeting' of the citizens to coordinate public sentiment against the strike and to strengthen the power of the Citizen's Committee, which organization, thus supported, will both aid the employer in exerting pressure upon the local authorities and itself sponsor vigilante activities.

"Fourth: Bring about the formation of a large armed police force to intimidate the strikers and to exert a psychological effect upon the citizens. This force is built by utilizing local police, State Police, if the Governor co-operate, vigilantes, and special deputies, the deputies being chosen if possible from other neighborhoods, so that there will be no personal relationships to induce sympathy for the strikers. Coach the deputies and vigilantes on the law of unlawful assembly, inciting to riot, disorderly conduct, etc., so that, unhampered by any thought that the strikers may also possess some rights, they will be ready and anxious to use their newly acquired authority to the limit.

"Fifth: And perhaps most important, heighten the demoralizing effect of the above measures—all designed to convince the strikers that their cause is hopeless—by a 'back to work' movement, operated by a puppet association of so-called 'loyal employees' secretly organized by the employer. Have this association wage a publicity campaign in its own name and co-ordinate such campaign with the work of the 'Missionaries' circulating among the strikers and visiting their homes. This 'back to work' movement has these results: It causes the public to believe that the strikers are in the minority and that most of the employees desire to return to work, thereby winning sympathy for the employer and an endorsement of his activities to such an extent that the public is willing to pay the huge costs, direct and indirect, resulting from the heavy forces of police. This back-to-work movement also enables the employer, when the plant is later opened, to operate it with strike-breakers if necessary and to continue to refuse to bargain collectively with the strikers. In addition, the 'back to work' movement permits the employer to keep a constant check on the strength of the union through the number of applications received from employees ready to break ranks and return to work, such number being kept a secret from the public and the other employees, so that the doubts and fears created by such secrecy will in turn induce still others to make applications.

"Sixth: When a sufficient number of applications are on hand, fix a date for an opening of the plant through the device of having such opening requested by the 'back to work' association. Together with the Citizen's Committee, prepare for such opening by making provision for a peak army of police, by roping off the areas surrounding the plant, by securing arms and ammunition, etc. The purpose of the 'opening' of the plant is threefold: To see if enough employees are ready to return to work; to induce still others

to return as a result of the demoralizing effect produced by the opening of the plant and the return of some of their number; and, lastly, even if the maneuver fails to induce a sufficient number of persons to return, to persuade the public through pictures and news releases that the opening was nevertheless successful.

“Seventh: Stage the ‘opening’ theatrically, throwing open the gates at the propitious moment and having the employees march into the plant grounds in a massed group protected by squads of armed police, so as to give to the opening a dramatic and exaggerated quality and thus heighten its demoralizing effect. Along with the ‘opening’ provide a spectacle—speeches, flag raising, and praises for the employees, citizens, and local authorities, so that, their vanity touched, they will feel responsible for the continued success of the scheme and will increase their efforts to induce additional employees to return to work.

“Eighth: Capitalize on the demoralization of the strikers by continuing the show of police force and the pressure of the Citizen’s Committee, both to insure that those employees who have returned will continue at work and to force the remaining strikers to capitulate. If necessary, turn the locality into a warlike camp through the declaration of a state of emergency tantamount to martial law and barricade it from the outside world so that nothing may interfere with the successful conclusion of the ‘Formula,’ thereby driving home to the union leaders the futility of further efforts to hold their ranks intact.

“Ninth: Close the publicity barrage, which day by day during the entire period has increased the demoralization worked by all of these measures, on the theme that the plant is in full operation and that the strikers were merely a minority attempting to interfere with the ‘right to work,’ thus inducing the public to place a moral stamp of approval

upon the above measures. With this, the campaign is over—the employer has broken the strike.”⁴

This report has been quoted at some length since the public has often failed to understand what was really happening, and in one or two instances even ministers have allowed the use of their names on the “Citizens’ Committees” involved.

How to Find Out If Workers Want a Union

In some cases an employer may honestly believe that most strikers want to return to work without recognition of the union. But the only fair way to find out is to allow them to vote on the subject under government-supervised elections and without coercion by either side. In 1937, the Jones & Laughlin Steel Corporation, although apparently sure their striking workers did not wish to join the union, consented to such an election. The employees voted seventeen thousand to seven thousand to join the Steel Workers Organizing Committee,⁵ which was forthwith recognized by the Company.

Even the most sympathetic and fair employers have great difficulty in knowing what their unorganized employees really think. It is natural that workers tend to tell their employer what they think he wants to hear. Only a secret ballot conducted by a neutral agency, like a government board, can determine the real desires of workers. An illuminating description typical of many cases will be found in *The Christian Century*, January 18, 1939, “Getting Along with Eighteen Unions,” where a fair employer with fine conditions in his shop was surprised by the result of such an election. (The subsequent labor history in this plant—the Paraffine Companies—is described in Chapter VIII.) No one except the workers themselves knows how they really feel about any given situa-

⁴Remington Rand Decision. National Labor Relations Board Decisions and Orders. Vol. II, pages 664-6.

⁵Now the United Steelworkers of America.

tion. The only way to find out is to allow them to express themselves without fear or favor from any source.

The Carnegie-Illinois and other units of the United States Steel Corporation, being convinced of the strong union sentiment among their employees, signed an agreement with the Steel Workers Organizing Committee⁶ without the necessity of a strike. In view of the fact that Republic, Inland and Youngstown Steel companies, as one of their principal reasons for refusing to deal with the union, declared that the S. W. O. C. (C. I. O.) was irresponsible and could not be trusted to keep agreements, it is significant to note in the report of Myron C. Taylor, Chairman of the Board of Directors, to the United States Steel Corporation, in April, 1938 (after over a year's experience with union relations) the following statement:

"The union has scrupulously followed the terms of its agreement and, in so far as I know, has made no unfair effort to bring other employees into its ranks, while the Corporation subsidiaries, during a very difficult period, have been entirely free of labor disturbance of any kind. The cost of a strike—to the Corporation, to the public and to the men—would have been incalculable."

This confirmed the prediction made in a public statement by one hundred ministers during the "little steel" strike that the union could be relied upon to keep its contracts. The statement urged the settlement of the strike by signed agreements with the union.⁷ This Company and the union have had a successful history in their relations ever since.

Strike Evils and How to Prevent Them

Prolonged strikes of any type, accompanied by violence on both sides, leaving behind them divisions, bitterness and mis-

⁶ *Ibid.*

⁷ See Biennial Report, 1937-8, Industrial Division, Federal Council of the Churches of Christ in America, 297 Fourth Avenue, New York.

understandings in the communities involved, present a black picture in which employers, labor, public officials, leading citizens, the police force and an uninformed and selfish public are often equally guilty. There is no point in dwelling further upon this picture. The point is that strikes by labor and lock-outs by employers can largely be avoided if enlightened attitudes are developed.

Industry-wide Agreements

It was indeed encouraging to note statements like that made by R. D. Lapham, Chairman of the Industrial Association of San Francisco, in which he advocated in 1938 that employers organize industry-wide associations not to "break unions" but for industry-wide union agreements, honestly trying to establish better relations between employer and employee. He added: "I believe that the principle of collective bargaining has come to stay, and that employers must be farsighted enough and flexible enough to adjust themselves to changed and changing conditions."⁸

In 1941, Mr. William H. Davis, Chairman of the National War Labor Board, said: "Industry-wide collective bargaining seems a logical next development. It makes for greater stability throughout an industry, more responsible unions, and puts management on a more fair and equitable competitive basis so far as wage costs are concerned. It seems to me that what we principally need now is more organization among employer and management groups. Such organization would do much to promote an equality of bargaining power between management and labor."⁹ Where such industry-wide union agreements between practically all employers and all workers obtain, as in the clothing industries, coal, railroads and other

⁸ *The New York Times* of August 31, 1938.

⁹ In connection with publication survey of sixteen industries made by The Twentieth Century Fund: *How Collective Bargaining Works*, The Twentieth Century Fund. New York, N. Y.

industries in America, and quite generally in Great Britain, more stabilization is possible and fewer strikes occur.

Industry-wide union agreements are of distinct assistance in stabilizing industry. One of the major problems of management is how to stabilize general conditions of fair competition without violation of antitrust laws. Wages constitute one of the major items in costs of production. Industry-wide union agreements are a legal and effective method of stabilizing general wage scales and removing this problem from the list of "competitive worries" of industrial management. Under such industry-wide agreements employers desiring, as most employers do, to maintain good wages and conditions find the unions an invaluable means of preventing "chiseling" by unscrupulous employers who would otherwise continually cut wages and compete unfairly against good employers.

In connection with this service by unions one is reminded humorously of Dr. Parkhurst's remark that the verse of the Psalm should be amended to read, "The wicked fleeth when no man pursueth—but he maketh better time when some one is after him."

Savings in Cost of Government

As a matter of fact, labor unions, where they are effective on an industry-wide basis, save the taxpayers enormous sums of money. For if subnormal labor conditions continue long enough the demand arises that state and federal governments regulate industries. The machinery of such government administration and the large number of government inspectors required is a heavy, though justifiable, expense to taxpayers. Such government regulations are not needed in industries where unions are thoroughly organized. The unions police the industry more effectively than the government can do it—and the union members themselves gladly pay the bill.

Industry-wide agreements of employers' associations and unions also eliminate the uncomfortable practice of unions

which often, in effect, penalize their friends, demanding higher wages from friendly employers and co-operatives in order to use these higher rates as a leverage on other employers. This practice, however, puts the friendly employer at a disadvantage with his competitors.

Where industry-wide contracts do not obtain, especially when only certain geographical areas are unionized, intelligently led unions modify their demands in order to allow union shops to stay in business until the rest of the industry can be organized. Unfortunately, unions are not always intelligent enough to adopt this policy.

Union Policy to Avoid Strikes

It is erroneous to believe that "strikes are the chief business of labor unions." Ordinarily a large-scale strike is the last thing an established union desires, if it can gain proper recognition and reasonably fair terms by any other possible means. Labor knows too well the losses, hardships, and heartaches involved in strikes. It has often seen its leaders railroaded to jail for long terms, whether guilty or not, while crimes committed against the strikers have gone unpunished. Reference is made here to leaders so penalized because of their legitimate strike activities. Labor representatives sent to prison for racketeering, graft and violence come under a different category and will be referred to later under the section on racketeering. Too often, prominent leaders of unsuccessful strikes have been blacklisted so that they were unable to secure jobs of any kind for years. Labor has too often had to bury its dead—shot down on the picket lines. Among labor's martyrs have been some of the finest flower of American citizens, men personally known by the writer, who had the unselfishness, courage and idealism to lead strikes when no other remedy was possible under oppressive conditions in textiles in the South, in the coal fields of Colorado, among the share-croppers in Arkansas and other

states, among migrant laborers in California, and in other industries and sections of the country.

Spiritual Laws Work

There have been some happy illustrations of broad statesmanship on the part of employers which have resulted in equally gratifying reactions on the part of labor unions. In the midst of a bitter strike in the coal fields, Miss Josephine Roche, President of the Rocky Mountain Fuel Company, voluntarily announced that her company would be glad to have its workers organize. Her employees thereupon joined the United Mine Workers of America. Miss Roche testifies that from the first day she has had only co-operation and help from the union. At one time when the company was hard pressed financially, these members of the United Mine Workers volunteered to waive one-half of their wages for ten weeks, to assist in the crisis of the business. If it had been necessary, they declared, they would dig coal on bare subsistence rations as long as need be to help out. As one employment manager remarked: "You'll be surprised how reasonable unions can be, when you surprise them by being reasonable yourself." A similar remark may well be addressed to union officials with reference to their relations with employers.

Progressive Employers

B. Seebohn Rowntree, Chairman of the Board of the Rowntree Chocolate Company, Ltd., of England, a Quaker employer of long experience in labor union relations, declared, in an address in America before the war:

"The labor unrest in this country and in Britain arises from a belief held, with ever increasing conviction, that the human and economic relations in the field of industry are not based on justice. No civilization, indeed, no part of a nation's life, which is not based on justice will endure.

Sooner or later, when men feel themselves unjustly dealt with, they will fight—they are fighting now. What are we going to do about it?

“First, what are we going to do about the Trade Unions? A great deal depends on our attitude to them. In England, until a comparatively short time ago, we sought to keep them at arm’s length, and if forced to deal with them we did so in a grudging and antagonistic spirit, with the result that the Union leaders found themselves compelled to fight the employers ruthlessly. Gradually, however, the relationship was changed. Today an employer who refuses to recognize the right of an outside Union to negotiate matters affecting his workers would be regarded as a curious relic of the past; rather like a pterodactyl or ichthyosaurus! And in consequence of this changed attitude there is an ever growing spirit of co-operation between the Unions and the employers, to the great benefit of industry.

“Of course, employers who conduct their enterprises solely with the object of making the greatest possible profits for shareholders, regardless of the welfare of the workers, will find that the Trade Unions will oppose them with all their power. And this is as it should be, for believe me, there will be no lasting peace in industry until it is based on justice, and employers who refuse so to conduct their own concerns need to be manhandled, for they are a peril to the community.

“If time permitted, I could give instance after instance from personal experience of the co-operative spirit shown by the Trade Unions. If I had a dispute with labor, I would far rather settle it with a Trade Union official than with our own workers direct. They are used to negotiating, and if, upon examination, they find that I have made out my case, they are not afraid to admit it.”¹⁰

¹⁰ Mr. Rowntree’s entire address on *Christianity and Industrial Relations* may be secured from the Department of Christian Social Service, Protestant Episcopal Church, 281 Fourth Avenue, New York.

Herbert Morrison, Labor Member of Parliament, after describing the enormous growth of trade unionism in Great Britain, says:

"Has all this extension of trade union power, status and influence increased or decreased industrial strife? Without question it has decreased industrial strife. The steady contact between organized employers and organized labor has facilitated peaceful settlements. It has avoided countless strikes and lockouts; it has saved thousands of millions of working days; it has avoided the loss of thousands of millions of pounds to industry and labor; it has secured greater legislative and social protection for industrial labor, which has been valuable to fair employers and to the community as a whole as well as labor itself."¹¹

¹¹ *The New York Times Magazine*, July 31, 1938.

VII

ARE LABOR UNIONS RESPONSIBLE ORGANIZATIONS?

Under this heading we shall discuss the keeping of contracts with employers by labor unions, the problem of graft and racketeering and the suggestion that labor unions should be regulated in various ways.

I.

Keeping of Agreements

The charge is often made that unions are irresponsible and cannot be trusted to keep their agreements with employers. Impartial students, however, will agree that no such sweeping charge against unions is justified by the facts. With the exception of certain situations where jurisdictional disputes or racketeering exist, it can be stated that labor unions, both A. F. of L. and C. I. O., have excellent records of abiding by the terms of their contracts. Unions have at times violated their contracts, but their record is probably as good as that of the employers who have also at times violated their agreements with unions. As an illustration following the "Jacksonville Agreement" in 1924, with the United Mine Workers of America, because of a difficult economic situation, there was a general repudiation of contracts or subterfuges to escape the terms of the agreements by northern coal operators,¹ including companies owned by

¹ "The Coal Strike in Western Pennsylvania (1927)," Department of Research and Education, Federal Council of the Churches of Christ in America, New York, N. Y.

some of America's most prominent families. As a rule, however, employers, the A.F. of L. and the C.I.O. unions have lived up to their agreements.

Exceptions to this rule have been much publicized, especially during the early years of the C.I.O. As an illustration the case was cited of the United Automobile Workers of America, which, for some time after signing contracts with employers, continued to indulge in sporadic sit-down strikes contrary to its agreements. In this connection, however, it should be recalled that this enormous union was very rapidly organized, and that it took time to educate and discipline such a large number of new union members to abide by union rules and to take up their grievances through the machinery provided in the contract. It must be remembered, also, that thousands of foremen and superintendents, who have been trained all their lives to oppose unions, do not quickly change their patterns of behavior. They also have to learn to deal through union machinery and to avoid unnecessarily provocative attitudes which may cause flare-ups. Other aspects of the history of the auto union have already been briefly referred to.

Labor history shows, however, that while early days of a new organization may be chaotic, it is ordinarily possible for even a large new union in time to educate and discipline its members so that they abide by the terms of their agreements. The examples may be cited of the Amalgamated Clothing Workers and the International Ladies Garment Workers which, when first organized some thirty years ago, had trouble for some time with the continued use of unauthorized "stoppages" by members. They were, however, able to overcome this difficulty so that for many years now all grievances have been taken up through the regular grievance machinery and the impartial chairmen without any interference with production. Difficulties characterized the early relations of all the older unions.² They

² *American Labor*, by Herbert Harris. New Haven, Yale University Press, 1939.

have gradually settled down into the orderly procedures and faithfulness in keeping their agreements which are representative of both A. F. of L. and C. I. O. unions in most industries. This has now proved to be true also of the Auto Workers Union.

Early Adjustments the Hardest

It is not surprising, however, that during times of union expansion, when employers and workers for the first time find themselves in organized relationships, there is a more or less protracted period of irritation and painful adjustment. This is particularly true when employers have recognized unions grudgingly and only because of economic or legal pressure. When employers, as has been the case in most industries, have fought to the last ditch against unionization, it takes time to resolve the bitter antagonisms which have been built up. When, on the other hand, employers accept cordially the principle of unionization, even the early stages of union relations can be harmonious. The case of the relations of the United States Steel Corporation and the Steel Workers Organizing Committee was an outstanding example of the latter. Similar constructive results have been obtained by other employers like "Golden Rule Nash" of Cincinnati, Miss Josephine Roche of the Rocky Mountain Fuel Company, and others, who met the unions more than halfway when organization drives began and, as a result, turned the spirit of antagonism into one of cordial cooperation on the part of union officials and members. A wise employer can in this way save himself months of strife and inefficiency in the plant if he has the intelligence to do so.

In many cases where new unions are involved one needs to make allowance not only for inexperience of management in dealing with organized labor, but also for the inexperience of the union members and officers. It is not to be wondered at, however exasperating it may be, that labor representatives suddenly thrust forward from the ranks of industrial employees,

burdened with new responsibilities, still frantically busy with organization drives in other plants, often fail to give adequate and businesslike attention to prompt and proper adjustments of conditions in signed-up shops. An appeal to higher union officials will often help to straighten out petty irritations and secure businesslike attention. This may sometimes be accomplished informally through the good offices of a friendly third party in order not to embarrass direct relations with local union officers. Under such conditions management needs great patience and the perspective of a knowledge of labor union history. For when established relations with a union are no longer in dispute, history shows that the machinery of adjustment begins to function, that agreements can be relied on, and that generally satisfactory relations become the order of the day. During the early stages of union relations a spirit of tolerance and patience on both sides will smooth the way and hasten the process of understanding and fair dealing.

II.

Graft and Racketeering

In a real sense, labor racketeering is not a labor union problem as such but rather a segment of the general problem of racketeering in American civic, political and business life. Nor is racketeering prevalent in the labor union movement as a whole. It has been confined chiefly to various building crafts, trucking and service trades in a few of our large cities.

The rank and file of labor union members are just as honest as any other class in society. They have been victims of rather than conscious participants in the corruption of certain union officials. Nor is dishonesty among union leaders apparently as high as it has been in business life. The revelations of dishonesty in high places in the past in banking, investment trusts, mortgage companies, public utilities, the courts, a wholesale

drug concern, and other business circles indicate the existence of so many glass houses that few economic groups are in a position to throw stones. However, the development of so-called "labor rackets" demands the grave attention of the labor movement itself and of the public.

Impartial Study of Rackets

One of the best and most impartial studies of this subject was made by a Committee of the City Club of New York which has for many years held a high reputation for its contributions to honesty in civic affairs.³ Major rackets outlined in the appendix of this report include rackets in the building trades, motion picture operators, painters, iron workers, teamsters, live poultry, fish and fur markets, trucking in connection with butter and eggs and flour, and the restaurant or cafeteria rackets. Harold Seidman, in *Labor Czars—A History of Labor Racketeering*,⁴ gives further details on most of these rackets and describes in addition the racket conducted through local 3 of the International Brotherhood of Electrical Workers and the employers (page 127), and gangsterism in the early days of the New York clothing trades.

The City Club report points out that racketeering in connection with labor unions "is in no sense peculiar to labor unions" but a part of the general problem of racketeering in various areas of economic, political and business life. It describes the problem as follows:

"'Labor racketeering' consists in essence of the use of a labor union by racketeers to exact payments to the racketeers

³ "Report on Certain Aspects of Labor Union Responsibility and Control," The City Club of New York, Committee on Legislation—Subcommittee on Labor Unions, June 28, 1937. (This subcommittee was composed of impartial students of the subject with a lawyer as chairman.) See also *Harper's Magazine*, March, 1939, for interesting description of labor racketeering in Seattle, Washington, by George R. Leighton.

⁴ Liveright Publishing Corp., New York, N. Y., 1939.

from the employer, from members of the union, or from both. The racketeer may himself be a union official or he may operate from without the union either through his agents or through the exercise of coercion upon intimidated union officers. The labor racketeer is often enabled to maintain his dominant position through co-operation, passive or even active, on the part of the employer, whose inertia to the existence of a racket may be partially explained by the fact that the cost of the racket is usually passed on to the consumer, or to another branch of the industry, rather than borne by the employer himself. A further explanation may be found in the fact that the employer may actually profit by the racket. Thus, the employer may find it profitable to make periodic payments to a union officer in order to avoid compliance with a union rule, such as payment for overtime, or a requirement that members of the union shall not work with, or on the products of, non-union labor. Or the employer may believe that the improvement of working conditions which may follow upon effective collective bargaining will cost him more than the labor racket.

"Again, the employer may take advantage of the racket to drive a competitor out of business or to maintain prices in connection with certain types of so-called trade associations. . . . An effective instrument for such coercion is found in the labor racketeer, who directs threats of labor trouble against those who might otherwise be unwilling to join or maintain membership in the trade association and who may eventually obtain influence not only in the association itself but also in other branches of the trade or industry in which the association functions.

"Variations in the labor racket occur under varying conditions but the fundamental technique remains the same; upon analysis most labor rackets are found to be surprisingly similar.

"The labor racketeer sometimes obtains such power that

he is able to create an unnecessary type of work from which he obtains income. For example, an indictment against racketeers in a local of the teamsters' union charges that these racketeers through their control of trucking forced upon the dairy industry a duplication in terminal operations, resulting in a \$300,000 annual increase in handling costs.

"Through his dominance of the industry, the racketeer may even set up an independent business servicing the industry, patronage of which is required of employers wishing to avoid labor trouble. An outstanding example is a case in New Jersey in which a racketeer compelled contractors to patronize his construction-bonding business. Another instance is that of a racketeer in control of a motion picture operators' union who forced theatre-owners to purchase supplies from him." (pp. 7 and 8)

Sometimes through collusion with dishonest labor leaders, the public is forced to buy from one or more business concerns owned by the political boss of the city. A minister in a mid-western city recently described such a situation. He was building a new church and using union labor. A strike was called without any labor grievances. The strike was immediately called off when the church, which had been purchasing cement elsewhere, ordered its supplies from local cement mills owned by the notorious political boss of the city.

The City Club report continues:

"While the membership of a union dominated by a racketeer may on the whole be better off by reason of improved conditions than in the absence of any union, the membership also suffers from labor racketeering. Exploitation of union members by the racketeer takes the form of the 'sell out,' most commonly in the form of agreements unduly favorable to the employer, the 'kick-back,' through requiring union members to return part of their wages to the em-

ployer or to union officers, the exaction of excessive dues, discrimination in union privileges or in the distribution of work, waiver of union rules or contract provisions, payment of excessive salaries to union officials or diversion or embezzlement of union funds. The racketeer-controlled union may also be used as a device to combat legitimate union activity.

"While the employer may in the first instance pay the cost of a racket, that cost, like the cost of any other anti-social activity, is ultimately borne by the public in the form of increased prices and industrial strife. Some employers, such as small retailers, may suffer through being unable to pass on the racket cost, but, as we have pointed out, employers may obtain benefits from the labor racket through the maintenance of the price level and the elimination of effective collective bargaining. It is an interesting commentary upon the relationship that sometimes exists between the employer and the labor racketeer that the head of an employers' association in a notoriously racket-ridden industry is reported to have asked that one of the principal convicted defendants be paroled in his custody pending an appeal. And in the recent trial of restaurant racketeers, it was brought out that substantial contributions to their defense fund were made by restaurant owners." (pp. 8 and 9)

In order to keep control of the union, corrupt labor leaders use "strong arm squads" to beat up or eject from union meetings members of their own unions who challenge their leadership, protest their policies, or demand an accounting of union funds. They may also expel protesting union members and in some cases international unions have supported the racketeering officials.⁵ When a rival group of gangsters attempts to "muscle in" and take control, there are shootings and murders as in other areas of the gangster world.

⁵ *Labor Czars—A History of Labor Racketeering*. By Harold Seidman, pp. 156, 159-60, and in other chapters.

Seidman, in his book, *Labor Czars*, feels that the relatively stronger idealism of industrial unions and their wider democratic objectives largely account for their lack of racketeering. He contrasts this idealism with the "business psychology" of some older craft union leaders who look upon unions as "a business" to secure benefits for workers and for the collection of dues for the union.

It may be also that another factor helps to account for the situation. There is more opportunity for craft and service unions, operating within the limits of a city market, to enter into collusion with employers. Such employers have more control over prices in their market and are therefore able to pay labor graft while making extra profits for themselves.

Remedies for Racketeering

(A) POLITICAL REFORM

Racketeering depends upon public indifference or upon active support of corrupt political officials. One of the most effective remedies is through political reform and consequent vigorous prosecution of racketeers by a district attorney. This was illustrated in the remarkable record made in New York City by Thomas A. Dewey when he was District Attorney. It is a hopeful sign that Mr. Dewey was nominated and elected District Attorney with the vigorous support of the American Labor Party. When a city is wholly in the control of a corrupt political machine, investigation and reform may be started by the state, as was the case in New York under the Seabury investigation. Sometimes the federal authorities can help greatly through federal investigation of income tax evasion by political bosses and other infringements of federal law, as was done in Kansas City, Missouri, Louisiana, and other places.

The City Club report discussed many other possible remedies, including incorporation of unions, concerning which it

concluded that: "It could place no serious obstacle in the path of racketeering; on the contrary, paper corporations and dummy officers might easily lend themselves to the extension of racketeering activity." Its conclusions are quoted in part below:

"To treat the problem of 'labor racketeering' as a problem peculiar to labor is fundamentally to misconceive the nature of the crime. Racketeering, according to a definition approved by Thomas E. Dewey, is 'the systematic extortion of money or property by the use of force or fear from the various members of a legitimate or illegitimate industry.' This definition applies with equal force to all forms of racketeering, including racketeering exposed in connection with labor unions.

"Nor is racketeering in any proper sense typical of the labor movement. On the contrary, it is merely an invasion of that movement by a relatively negligible element. It is only in a few large cities that one hears of racketeers.

"Moreover, racketeering by and large has been and is being eradicated. The number of prosecutions and convictions are impressive. Indeed, there appears to be a tendency to exaggerate the problem in order to lend weight to proposals for union regulation." (p. 12)

(B) STRENGTHEN LAW ENFORCEMENT

The report goes on to say that:

"This is not to say that no problem exists. But that problem is not one of remedies, which are ample; it is one of enforcement." To meet the problem, the Subcommittee proposes that it be made a "penal offense for any one, whether a union member or an employer, to fail to report the existence of a racket" with appropriate safeguards for the protection of persons whose failure to act may be justified because of intimidation. It points

out also that eradication of racketeering from a union is most effective when it comes from the members of the union itself, citing successful efforts of certain unions. The great majority of union members are honest. The chief problem is that of assuring democratic control within the union itself. Sometimes a committee composed of citizens whose friendliness toward organized labor is beyond question can help to give publicity to a racketeering situation in a union. This co-operation strengthens the hands of union members who are known to be working within the union to remedy such conditions. Such co-operation was given by a Cleveland minister, the Rev. Charles F. MacLennan, Director of the Religion and Labor Center, in cleaning up a racketeering situation in the Painters union.

(c) DEMOCRATIC CONTROL OF UNIONS ⁶

The key to democratic control of a union by its rank and file members lies principally in the free elections of its officers and of its delegates to conventions. Autocratic control of unions by domineering or corrupt officials is often made possible by "postponement" of national conventions, sometimes for several years. This gives no opportunity to the membership to elect new national officials. Unless both local and national officials are freely chosen at stated intervals, even the right of members to appeal grievances from a local to the international and to the convention is of little avail. Entrenched officials by control of "credentials committees" at national conventions may also refuse on technicalities to seat hostile delegates, and may assure their own re-election through "packing." Some constitutions and by-laws also may give certain officers the power of appointing others. This power is sometimes abused. The City Club report states:

⁶ See Harris, *American Labor*, 1939; Seidman, *Union Rights and Union Duties*, 1943; and pamphlet *Democracy in Trade Unions* (See Bibliography).

"Theoretically, the constitutional provisions permitting to aggrieved union members a hearing are thoroughly adequate. In practice, however, the appeal provisions have proved inadequate because the officers against whom the complaint is directed frequently dominate the board to which the complaint is made, and the responsible officers of the national body fail to take impartial action.

"Moreover, the membership often does not avail itself of intra-union machinery because of apathy or because of a realization, not only of the difficulty of invoking this machinery, but also that aggressive union members, if unsuccessful, may be punished by expulsion from the union, or by the arbitrary imposition of fines or penalties." (p. 16)

(D) DEMOCRATIC ELECTIONS IN UNIONS

For these reasons the City Club report recommends the passage of appropriate laws to:

"facilitate and encourage union members to elect officers of integrity truly representative of the union. Such legislation, however, should be so drafted that it could not be construed to authorize interference with intra-union policies, which are properly for the determination of the membership itself. Legislation of this character, if so drafted, would not subject the union to governmental regulation in the sense of the proposals discussed in connection with racketeering, but should require self-disciplinary measures upon the part of the union itself. To these ends, the Subcommittee makes the following proposals:

"ANNUAL ELECTIONS. *Laws applicable to unions*, such as the General Associations Law in New York, which applies to all voluntary unincorporated associations including unions, *should be amended or other appropriate legislation enacted to require an election, by secret ballot, at a conven-*

tion or otherwise, at least once a year of all officers of a union, whether local, or national or international, and including delegates. No officer should be deemed elected without the affirmative vote, in person or by proxy, of at least a majority of a quorum of the membership, consisting of a majority of all members. It should be made the duty of the union's president and vice-presidents to call the elections required by law, upon prescribed notice to all members, stating, among other things, the salaries attaching to the respective offices to be filled, and failure to do so should be made an offense, punishment of which should be an appropriate fine payable to the union, enforceable at the instance of any union members."

(E) APPEAL TO IMPARTIAL BOARD

The report recommends that in case any question arises in connection with an election, the power to pass upon it should rest with an impartial body such as a State or National Labor Relations Board which, if called upon to do so, would "certify whether or not an officer actually represents his union by virtue of an election, just as at present it certifies whether a union actually represents a majority of employees for the purpose of collective bargaining." The report rules out government supervision of all union elections because in its opinion "the problem is not sufficiently serious or widespread to warrant so drastic a regulation and that in any event the cost of supervising thousands of elections throughout the United States would be prohibitive."

(F) MAJORITY APPROVAL OF EXPULSIONS OF UNION MEMBERS

The report suggests also that:

"a statutory prohibition should be enacted against the expulsion or suspension of a member of a labor union, whether

for failure to pay a fine or for other reasons, except after a majority vote of the membership at a meeting called for the purpose. There should likewise be a statutory inhibition against the expulsion of a local union from a national or international union or from a national body, without a majority vote at a convention."

(G) FINANCIAL REPORTS OF UNIONS

"Laws applicable to unions should be amended or other appropriate legislation enacted to provide that every association subject to that law must furnish its members with annual financial statements with such detail as may be requested if a majority of the membership so vote. Failure to render such statements should render the responsible officers subject to removal and to a fine payable to the union."

Most labor unions do have democratic elections of officers and supply full financial statements. The suggested laws would, however, remedy the situation in corrupt unions.

III.

Should Unions Be Incorporated?

Our discussion of whether unions keep their agreements, and of the evils of racketeering with suggested remedies, has already covered many of the points usually raised in connection with the demand that unions should be required to incorporate. However, further questions remain to be discussed in this specific connection. Since the legal status of most unions in America is that of voluntary unincorporated associations, it is charged that this status renders their funds practically immune from liability for breach of contract. This, however, is not the case.

Unincorporated Unions Can Be Sued

In most states "unions in appropriate cases can now be sued through service upon their officers and their funds subjected to liability and in jurisdictions in which such suits cannot now be maintained legislation should be enacted to authorize such suits. While it is always difficult to establish liability of a principal for the torts of his agents, and properly so, no sufficient reason appears why it should be simpler to establish such liability in the case of unions than in the case of other organizations." ⁷

Unincorporated Unions Can Be Enjoined

In addition, unions are subject to injunction proceedings to prohibit unlawful acts such as "violence, coercion or fraud, but also to ban acts not intrinsically unlawful such as strikes, boycotts and picketing. No complaint has been made that a union or its officers or members are not amenable to a decree in equity for an injunction. On the contrary, the abuse of the labor injunction has led to statutory regulation of its issuance and of the method in which disobedience of its terms may be punished. So-called anti-injunction statutes recently enacted by Congress and by a number of states, including New York, prescribe prerequisites to the issuance of an injunction and accord legal immunity to peaceful picketing in certain types of dis-

⁷ City Club report which cites cases including *United Mine Workers v. Coronado*, 259 U. S. 344; Supreme Court and the Danbury Hatters case—*Loewe v. Lawler*, 235 U. S. 522.

In the Apex decision, May 27, 1940, the Supreme Court ruled that the union in that case was not liable for damages under the federal anti-trust law because there had been no intent by the union to restrain interstate commerce. However, the Court ruled that the provisions of the anti-trust act "do embrace to some extent and in some circumstances labor unions and their activities." Furthermore, the Court said that the union had violated the laws of Pennsylvania where it could be compelled to answer for damages in the state courts. See *The New York Times*, May 28, 1940. Subsequently the Company filed preliminary papers in State courts and settlement was made by agreement, the American Federation of Hosiery Workers paying \$110,000 in damages to the Company.

putes. These statutes, however, do not apply to unlawful acts involving violence or breach of the peace or to acts involving a breach of contract, and such acts may still be enjoined.”⁸

Compulsory Incorporation Not Desirable

It is a little surprising that many advocates, especially among businessmen, of the incorporation of unions “in order to make them responsible and liable for their acts” overlook the fact that incorporation is a privilege granted by the state to those who wish to *limit* their personal liability in a business venture.

“To apply the corporate principle to labor unions in order to increase the liability of their members, even if it could accomplish this purpose, would represent a manifest perversion of the theory of incorporation. This has been recognized by Mr. Walter Gordon Merritt, counsel for the Realty Advisory Board of New York, who is an outspoken sponsor of legislation for the regulation of labor unions. That Mr. Merritt is opposed to compulsory incorporation is significant since he was counsel for the employers in the *Danbury Hatters* case and also filed a brief *amicus curiae* against the union in the *Coronado* case.”⁹

The primary reason for labor union spokesmen’s objection to the incorporation of unions is that it would open the way for hostile employers to take unfair advantages of unions. This is a very real danger since it is so easy for an employer to hire a labor spy as an employee who can join the union and purposely make trouble for which the union could then too readily be made responsible.

⁸ Ibid., p. 20.

⁹ Ibid., p. 22.

*Labor Unions Not Incorporated in Great Britain
and Scandinavia*

As the report of the President's Commission on Studies of Industrial Relations in Great Britain shows, labor unions "cannot be incorporated" but *voluntary* registration of trade unions is provided for by law, also voluntary certification in lieu of registration.

Marquis Childs, in his book *This Is Democracy*, reports that trade unions in Scandinavian countries "are not incorporated or registered in any way. But there has never been any real question about their responsibility under the law."

Mr. B. Seeborn Rowntree, one of the prominent employers of Great Britain, in the address already quoted, comments on the great interest in America in the incorporation of unions and what laws should be enacted to deal with picketing, and remarks: "I do not, of course, deny that it is desirable to decide these questions wisely, but they are of secondary importance. A wise employer will not trouble too much about them. He will rather ask: 'Now, what's all the trouble about?' And when he seriously inquires into this, he will find that the workers have quite a lot of legitimate grievances, and the whole community suffers from the industrial unrest to which they give rise. Surely it is wiser to attack these grievances than to spend time and effort in perfecting what are, after all, the methods and tactics of warfare."

City Club Recommendations

(A) INCORPORATION NOT NEEDED

We have quoted at some length from the report of the Subcommittee of the City Club because it seems to us one of the most objective, impartial, and realistic studies which have been made. For the same reason, we note, in conclusion, its recom-

mentations. It believes for reasons stated in previous pages that no serious problem has been shown to exist which would warrant legislation such as compulsory incorporation or registration to increase union liability for torts or breach of contract. It believes, however, that in addition to legal remedies suggested under the foregoing section on racketeering, two other safeguards should be enacted into law.

(B) DEMOCRATIC APPROVAL OF UNION AGREEMENTS

"It would be desirable," the report declares, "to have every long-term agreement submitted for the approval of union members expected to fulfill that agreement. Moreover, a requirement that collective bargaining agreements be approved would tend to promote democratic control, to prevent sell-outs by racketeers, and to discourage their calling of strikes to obtain graft. The Subcommittee therefore recommends that trade union agreements for more than a year, to be enforceable, must be authorized or ratified by the union sought to be bound." As a matter of fact, this is already common practice in many unions.

(C) EMPLOYERS REQUIRED TO VERIFY CREDENTIALS OF UNION REPRESENTATIVES

The City Club Subcommittee also believes that employers should be made responsible for dealing only with union officials who have been legally authorized to represent the union, just as it is the responsibility of a person negotiating a contract with a business corporation to make sure that the officer representing the corporation has been vested with proper authority by the Board of Directors. "If the employer would squarely meet this responsibility through the refusal to recognize officers not representative of the union, he would encourage democratic control and at the same time would assist in the elimination of racketeering."

Monopolistic Practices

In addition to these considerations, there remain serious problems in connection with monopolistic practices on the part of certain unions. While making it clear that they would not diminish in any way the right of labor to organize or to strike for any legitimate purpose such as better wages, hours, safety conditions, and so on, many believe that Congress should amend the Sherman Act so that labor unions may not restrain interstate commerce except for legitimate labor aims. They point out certain monopolistic abuses of power by certain unions, chiefly teamsters and building crafts, which result in some cases in the protection of inefficient methods of production or exclusion of prefabricated materials; "make work" systems of coerced employment of an unnecessary number of employees on certain jobs; compulsion of an employer not to deal with other regular labor unions; conspiracy with contractors, dealers and other nonlabor groups to control prices or effect restraints of trade; and efforts of unions to put small independent firms out of business.

Once more it must be pointed out emphatically that such practices are not characteristic of the labor union movement as a whole, but where they obtain, they constitute serious evils which call for remedy, preferably by labor itself, for the good of the labor movement as well as for the public protection.

The question of legislation on this subject is extremely controversial. Labor's unanimous opposition to an amendment to the Sherman Act is easily understood in view of long continued efforts of many employers to smash the labor union movement through "conspiracy" charges and litigation. A wave of reactionary labor legislation such as some of the bills now being proposed in Congress might easily destroy the basic rights of labor and the morale of democracy itself! ¹⁰

¹⁰ See *Information Service*, June 7, 1941, September 6, 1941. Federal Council of Churches, 297 Fourth Avenue, New York, N. Y. Five cents each.

VIII

UNION-MANAGEMENT CO-OPERATION FOR EFFICIENCY

While it has been necessary in the interest of presenting a candid description of American labor unionism to devote part of the foregoing chapter to serious evils which have developed in certain unions, it must be said again that these corrupt conditions are not characteristic of the movement as a whole. On the contrary, in many industries which have been organized over a long period of years, it has been demonstrated that it is possible for organized employers and organized employees to maintain harmonious relations with honesty and integrity on both sides, and to adjust their differences through joint conciliation without recourse to strikes and lockouts. This has been true of both American Federation of Labor unions and of the unions affiliated with the Congress of Industrial Organizations.

There are significant illustrations in unions affiliated with both groups of the positive rôle a union can play in stabilizing industrial relations, increasing efficiency in the plant, and offering constructive co-operation to an employer in the successful conduct of his business. This is quite the opposite from the collusive conspiracy of racketeering unions with employers, although some writers have uncritically described both under the terms of "class collaboration."

*The First Step toward Co-operation for Efficiency—
Give the Workers the Facts!*

Some years ago, when I was personnel director in a factory, I was deeply impressed with the lowering of efficiency and effort on the part of employees when they lacked confidence in

the ability of the management—either their immediate boss, or, as one of the men put it, “the whole works.” Perhaps most of us at times have had such an experience. It is almost impossible to give one’s best when one feels that one’s superior who gives the orders is himself inefficient. “What’s the use of killing ourselves,” workers have said to me, “when the company wastes more money in a minute than we could save in a year?”

Sometimes bosses and higher-ups *are* inefficient, and there is no cure for that but training or readjustments in personnel, sometimes as far back as the president and the board of directors. But often workers, because they do not know all the facts, misjudge the management. “The company spends more money patching up this old machine than it would cost to buy a new one,” a machinist once said to me, and added that he had “never seen such dumb management” in all his life. Nor had he confined his expression of opinion to me—he had already committed it in strong terms to the wings of gossip which flies through a factory as fast as it goes over the back fences of a small town. The morale of the whole factory had to some degree been affected.

Now this man had not known that the manager was thoroughly aware of the facts of the case, and was planning new machinery and a new layout for the whole department as soon as production schedules allowed for the necessary shut-down. When so informed during a meeting of our joint labor-management production committee, the worker was astonished. “Oh,” he said, “is that so!” Yet in that moment of enlightenment, his whole opinion of the company’s efficiency changed, and the ground was cleared for himself, and other employees, to give “that something extra” in their own efforts. One cannot reasonably blame workers for “ignorant criticism” when management takes no intelligent, systematic steps to remove their ignorance of important facts about the operation of the plant.

In this same concern in which we combined profit-sharing with joint labor-management committees, there was posted in each department a Joint Management Bulletin giving daily figures on orders, production, and "returns" or waste. On one occasion the superintendent was stopped by an employee who had been watching the Bulletin and was worried over "whether the company had enough sales this week to cover the pay roll." In companies which do not share either facts or profits with employees, few workers worry about where the pay roll comes from. It seems to them to come mysteriously from heaven or perhaps from below, if wages are low, but in their minds it has little connection with sales, orders, production or their own efforts.

The first step toward co-operation for efficiency and production is to give the workers the facts as well as a fair deal in the pay envelope.

Enormous wastes occur in American industry because of the failure of management to take workers into their confidence on problems of operation. No amount of supervision, orders, or driving men in speed-up programs is as effective in the long run as appealing to their intelligence and to the creative instinct which is part of the human equipment that distinguishes men from animals. Improved morale and increased efficiency invariably follow when management shares with workers the facts about operating the business.

We cite below a number of such cases of union management co-operation to illustrate what can be done when both unions and employers apply their brains and energy to creating mutually beneficial relations rather than in fighting each other.

Baltimore and Ohio Shop Crafts

In 1924, following a strike, President Daniel Willard of the Baltimore and Ohio Railroad and the Shop Crafts Organization (comprising A.F. of L. shop crafts unions), under the

constructive leadership of W. W. Johnston, then President of the International Machinists Union, entered into an agreement, not only making the usual specifications as to wages, hours and settlement of grievances, but definitely proposing co-operation to increase efficiency in the shops. This general plan was later extended to include the operating departments of the B & O Railroad. It was also adopted by the Chicago and Northwestern Railroad and others.¹ A consulting engineer, Otto S. Beyer, Jr., was engaged by the unions to assist in working out the plan. Joint Co-operative Committees were set up for each district, also a System Co-operative Committee, each composed of representatives of the unions and of the management, to discuss at regular meetings suggestions for economy and efficiency of shop operation in a "spirit of mutual helpfulness and not one of criticism or fault finding." Subjects discussed at these meetings have included "storage and care of materials, tool equipment, machine operation and crane service, scheduling of work through the shops, classification and handling of freight and passenger car repairs, methods of repair work, handling and disposition of scrap, inspection of scrap and reclamation of usable material, conditions of shops and grounds." All suggestions were thoroughly discussed, those considered impractical eliminated, and recommendations finally made to the management. A letter from James S. Murray, Vice President, Baltimore and Ohio Railroad Company, dated September 15, 1942, summarizes the results of the plan as given in the table below, and adds that "the plan is continuing to operate in a very satisfactory manner."

¹ See *Union Management Co-operation on the Railroads*, by L. H. Wood, Yale University Press, New Haven, 1931.

Motive Power Department

Summary of Suggestions Received and Discussed at Co-operative Committee Meetings, March 5, 1924, to September 3, 1941

Number meetings held	11,453
Men present representing management	52,318
Men representing employees	64,441
Total number men present	116,759
Avg. attendance at meetings	10
Suggestions received and discussed	31,821
Suggestions adopted	27,415
Per cent adopted to total proposed	86.2
Still under consideration	322
Postponed, expense not justified	1,188
Dropped, considered impractical	2,896

After the plan had begun to show results, President Willard expressed gratification and pointed out the improved morale of employees who are allowed systematically to share in the responsibilities of efficient operation. Such an arrangement, he said, "emphasizes to each man the importance of the work which he himself is doing, and the responsibility which goes with his job or position, and which rests upon him personally to do good work, to do honest and dependable work, not just because it is his duty as an honest man to give good work in return for good wages paid in good money, but because, realizing the responsibility which he shares with the management for the safe and proper operation of the railroad, he *wants* to do good work."

Clothing Workers

The Amalgamated Clothing Workers of America (C. I. O.) and the International Ladies Garment Workers Union (A. F. of L.) have long enjoyed a good name for the fair adjustment

of disputes through machinery of conciliation and arbitration jointly maintained with employers' associations. In addition to the usual union methods of adjustment of grievances, these unions set up jointly with the employers' association a sort of informal court with an Impartial Chairman, or judge, who is jointly chosen by the union and employers, and one-half of whose annual salary is paid by each group. Disputes which cannot be otherwise settled are argued before the Impartial Chairman and his decisions are accepted by both sides.

The Amalgamated and the International Ladies Garment Workers have both, in addition, earned a reputation for helping manufacturers to reduce costs of production and increase efficiency of operation, at the same time improving working conditions and raising wages for the workers.

In order to illustrate such union-management co-operation procedures, the following incidents are cited. In 1925, after fifteen years of contractual relations with the Amalgamated, Hart, Schaffner & Marx, of Chicago, found itself faced with the difficult problem of producing a new line of suits which could compete in lower-priced markets. This would mean a radical reduction in costs of production, reorganization of shops, introduction of labor-saving machinery and lower piece-rates for workers. This company, a pioneer in constructive union relationships in the men's clothing industry, was deeply concerned over the interests of its workers and hesitated to make such drastic changes. It laid the whole problem before the union. The union met the company halfway, joined the management in a study of costs and reorganization proposals, co-operated in setting up an experimental shop, made concessions in long-established union customs, and agreed to lower general piece-rates with the expectation of so increasing production as to maintain weekly wages and provide full-time work. Among other savings to the company was the assumption by union officials of keeping discipline among the workers and guaranteeing that they would maintain agreed-upon

standards of quality. This enabled the company to reduce its staff of quality inspectors.²

Similar policies adopted by the union throughout the market brought successful results not only at Hart, Schaffner & Marx but in many companies, according to the 1928 report of the Amalgamated which states that "the savings that have been effected by this procedure have gone to raise the standards and the incomes of our members and to increase the business of unionized firms."

We quote below an extract from an article on Sidney Hillman, President of the Amalgamated Clothing Workers, which gives another illuminating illustration of the statesmanlike policies of the union under Mr. Hillman's leadership.

"A unique reaction for a manufacturer to get from a militant labor union was experienced by the head of the Kahn Tailoring Company of Indianapolis. After a hard struggle the Amalgamated signed up the shop. A year later Hillman received an urgent telegram from the head of the firm asking for a conference. Hillman found the sixty-four-year-old man pale and under emotional stress. 'Mr. Hillman, I wanted you to be the first to know,' he said, 'that after fifty years of uninterrupted business the Kahn Tailoring Company is liquidating. But it is not in the least the fault of the union and I will make a public statement to that effect.'

"'What has happened?' Hillman asked, though he had known for some time.

"'We're overextended on inventory; I owe the banks \$300,000 and they refuse to extend the loan.'

"'Perhaps they will,' Hillman offered, 'if you tell them that the Amalgamated will advance \$100,000 to tide you over.'

² See article in *The New Republic*, August 7, 1929, by Thomas W. Holland, entitled, "The X Plan in the Clothing Trade."

"The manufacturer stared. When he told the bankers they stared too, but they extended the loan. The Kahn Tailoring Company used only \$30,000 of the Amalgamated's loan and repaid it within a year.

"Hillman delights in exposing the practical considerations that underlie everything that he does. 'The Kahn Tailoring Company was the only big employer of men's garment workers in this city,' he told me. 'If it closed there would be some 900 of our union members without jobs. Also, the plant was so near Chicago that some manufacturer would find it profitable to snap it up at the sacrifice price it would bring, and by running it with nonunion labor he would make it hard for Chicago manufacturers to compete with him. We had to protect our Chicago market. We had investigated the Kahn Tailoring Company's business and found it sound, and our analysis seems to have been more thorough than the judgment of the banks that almost forced the company to the wall. So, all in all, we did not lose by our loan.'"³

A group of church people were deeply impressed last winter in an interview with the manager of B. Kuppenheimer & Company in Chicago—another company which has an agreement with the Amalgamated Clothing Workers—when he declared that he personally prefers to have a union because he does not have to worry any longer about labor relations, and can devote all his energies to manufacturing problems. He had learned to live with organized labor and like it! A later interview with the union organizer equally impressed the group because of his fairness and his intelligent grasp of technical as well as human problems involved in the industry.

A study by an outside industrial engineer of the A. Nash Company of Cincinnati, a year after the company had voluntarily signed an agreement with the Amalgamated, showed

³ "Sidney Hillman," by Joseph Gollomb, *Atlantic Monthly*, July, 1938.

that not only had labor relations been harmonious but that the union had helped to reduce costs and increase efficiency of operation.

A Union Engineering Department

It is interesting to call at Number 1710 Broadway in New York City, the headquarters of the International Ladies Garment Workers Union. Like many other unions, the I. L. G. W. U. owns its own office building where the executive officers, educational department and many other divisions of the union are housed. Under its president, David Dubinsky, this union has developed a wide range of services for its members and for the industry. These include not only a wide educational program and a fully equipped health clinic, but also a unique "management engineering" department.

For many years the I. L. G. W. U. had co-operated with employers in the industry in efforts to reduce costs and improve efficiency, but in 1941 a management engineering unit was set up as a separate department of the union with a director and a staff of two industrial engineers, a technical assistant and a secretary. In the course of an interview with the director I was shown a portable motion and time study laboratory—a large trunk with all the necessary equipment including motion picture cameras, motion picture projectors, wink counters, stop watches, drafting board, time travel tape, lights, tripods, etc.

The management engineering department offers free service to employers who have contracts with the union. It responds to requests from employers and local union officials for immediate field service, many times in order to overcome the stumbling blocks in negotiations and piece-rate settlements. The department is also building up a library of standard data for labor operations in every branch of the garment industry.

When the engineering crew from the union arrives at a factory the manufacturer is asked to assign at least one mem-

ber of his staff and the union assigns a member of the shop committee to work with the engineering department.

The over-all production control system of the shop, including scheduling, routing and dispatching, is studied and analyzed by means of appropriate charts. As new and better methods for operation are developed both the manufacturer's representative and the local union representatives are trained to perpetuate the new methods of operation after the union's engineers have left. The union agrees to have the department engineers revisit the plant for a general check-up service in accordance with general consulting practice. Copies of the engineering department's report are always made available, to both the plant manager and local union manager.

In many cases constructive solutions have been discovered for problems which otherwise might have caused strikes or lockouts. Frequently methods of operation have been so improved as to result in satisfactory profits for the employer while at the same time increasing the earnings of the workers.

"Our constant aim," said the director, "is to be both scientific in gathering facts, and fair to the company in our demands. You can't kill the goose and continue to get eggs."

Co-operation for Efficiency in Pulp and Paper Making

A striking illustration of the improved morale and increase in efficiency which can be obtained by an intelligent plan is to be found in the Pulp Division of the Weyerhaeuser Timber Company, Longview, Washington. This company has a signed agreement with the International Brotherhood of Pulp, Sulphite and Paper Mill Workers, affiliated with the American Federation of Labor, covering the usual items of wages, hours, settlement of grievances and seniority rights. In addition, Mr. Robert B. Wolf, manager of the Pulp Division, has discovered that these union men respond with valuable suggestions for increasing efficiency and reducing costs of production. "Men

will use their brains as well as their hands," says Mr. Wolf, "if management gives them the facts about the business."⁴ Mr. Wolf started his career as an employer with all the anti-labor-union convictions common to many employers. The story of how he discovered he could work constructively with unions is interestingly told in his paper, "Trade Union Agreements."⁵

The Pulp Division of the Weyerhaeuser Company uses a systematic plan for getting the facts before its workers and inviting suggestions from them. Thus, useful ideas often originate from the men themselves. Group meetings are held every three months, on company time, for machine and process operators in each department. Usually a group consists of ten or twelve men. At these meetings the superintendent, the technical director, and the foreman are also present. Each employee is asked directly for any suggestions to improve quality or reduce costs of manufacture. Discussion follows. Pros and cons are brought up, and constructive and practical ideas often emerge. "It is better than the old suggestion box into which men might drop their suggestions," says the manager, "because brand-new ideas often result from the mental stimulation of mutual discussion."

The management also announces, a week in advance, some special problem of operation, quality, sales, or market conditions, which will be discussed so that the group can give thought to it for some time before a meeting is held. Letters are read from company salesmen at distant points, bringing their problems "right back home"—gearing to the way men run their machines and do their work in every department the very ability of the company to keep the plant running. Success means work for everyone. Because of this, no additional finan-

⁴ See "Theirs to Reason Why," by James Myers, *Survey Graphic*, July, 1938. For another illustration see *Business Week*, August 29, 1942, page 62, describing joint time study plan by Murray Corp. of Detroit and the United Automobile Workers Union and the Handbook just published.

⁵ *Channels of Dealing with Workers*. American Management Association Personnel Series #27, 1937, \$1.00.

cial rewards are offered for suggestions that are adopted. However, in the group discussions, the men with keen interest in their work who use their brains and are alert and able naturally stand out, and when opportunities for promotion come along, they get the jobs. Progress charts are kept so that a man can watch his own score from week to week. The standards are set after consultation with the men.

Minutes of all group meetings are posted in the department involved so that he who runs may read. The following incident strikingly illustrates the value of giving the workers the facts. On one occasion the results of certain laboratory experiments showing greatly improved results from a new method were charted and posted. After the men had studied the chart one of them exclaimed, "Why the devil don't we do it *that* way?" And they did. The transition to new and better methods (often a difficult matter with humans in all ranks of society) was made on the initiative of the workers themselves—*when they were given the facts.*

Seniority Rights

Seniority rights are of vital importance to workers. Basic justice demands that employees with longer terms of service be given preference in employment during slack times and for promotion. However, too rigid rules, especially with reference to automatic promotion merely because of length of service, may result in relative freezing of efficiency. The contract of the Pulp Makers and the Weyerhaeuser Company safeguards both the seniority rights and efficiency. Seniority rights of workers are recognized, men with longest terms of service being given first preference for both work and promotion, but in the latter instance the management has the final decision. If in some case a worker with fewer years of service is promoted over one with seniority standing, the latter is told where he has failed to measure up, before the successful appointee is notified of his

promotion. The union may then file a brief in behalf of the senior worker, if it so desires. This gives every opportunity to bring out all the facts in the case. Thus the difficult combination of proper regard for seniority and proper regard for efficiency in the organization is solved by agreement.

Co-operation in Steel

Early in its career the Steel Workers Organizing Committee,⁶ under the leadership of Philip Murray, announced its readiness to enter into union-management co-operation through joint research and the adoption of measures to increase production and efficiency. The union issued a handbook entitled *Production Problems*, which was sent to local unions in all companies then under contract.

Wherever a company was willing the union, through its Research Committee, undertook with management definite joint investigation of costs of production, methods of operation, waste and possibilities for increased production. Marked success has attended the plan in a large number of steel mills. The practical results obtained are described in detail by Clinton S. Golden and Harold J. Ruttenberg, officials of the union, in an interesting volume entitled *The Dynamics of Industrial Democracy*.⁷ From that book we summarize below concrete results in the "Federal Steel Company,"⁸ which had been on the verge of bankruptcy when the plan was adopted. At the suggestion of the union Research Committee, pebble lime was substituted for Scioto lime in the furnaces of the Open Hearth. They maintained that pebble lime would bring sulphur down,

⁶ Now the United Steelworkers of America.

⁷ Harper & Brothers, New York, 1942.

⁸ The name of the company, like others used in *The Dynamics of Industrial Democracy*, is fictitious for reasons explained in the book, but the actual case is described. The president of this corporation confirmed this in October, 1942, in a letter to the writer in which he referred to the "fine, wholesome and mutually beneficial relationship" between the company and the union maintained now for five years.

reduce fuel cost, and increase tonnage. . . . The results of one week of experimenting showed that fuel consumption was down three gallons per ton; sulphur was down; and production was up. The lime cost remained about the same because less lime of a higher quality was used. On the fuel cost alone, a saving of \$6,800 a year was obtained.

Again, after a firm of consulting combustion engineers had reported that gas consumption could be reduced in the Soaking Pit Department by the installation of expensive "checker chambers," a worker in the plant and a member of the union committee claimed that he "could effect a greater saving with little or no investment." After considerable hesitation it was tried out on one block of pits and its success was immediate. It worked better than anticipated. It was installed in all the other pits at a total cost of \$900, and meant a saving of about \$18,000 a year, plus \$32,100 saved on equipment.

The authors point out that more reduction of costs of production and more increase in efficiency can be obtained when a fully recognized labor union is involved than when the management in a nonunion shop merely offers cash prizes for suggestions from employees. The basic difference lies in the fact that in a union shop the money savings resulting from union-management co-operation are shared equitably between the owners and the workers.⁹ It is also agreed in advance—and this is basic and essential—that "no one shall lose his job as a result of any change." This can be accomplished by retraining certain workers for work in other departments and by allowing the natural turnover to absorb the slack, that is, to hire no new employees until those displaced by changes have been taken care of. These provisions mean that the group or body of employees is not harmed by improvements installed. Hence they do not hesitate to co-operate. On the other hand "public

⁹ Various arrangements have been made in this regard by this and other unions, depending upon wage differentials in the industry as a whole, between departments, and other factors.

opinion" makes it so uncomfortable for an employee in a non-union shop where such safeguards do not exist, that he "keeps it to himself" if he gets an idea that might throw fellow employees out of work.

The Hormel Company Plan of Annual Wages

Believing that the hourly or daily wage system of employment of labor, which prevails in practically all industries, "is unfair, forcing the employee who may be laid off for lack of work, to take at the least the first rap, the first misfortune for the management's failure to maintain work," Mr. Jay C. Hormel, president of George A. Hormel & Co., a meat packing house with headquarters in Austin, Minn., beginning in 1931, gradually established an annual wage payment plan which now covers the company's nearly four thousand production employees at the Austin plant. Although such a radical departure from the usual wage payment plan entailed many adjustments, negotiations between the management and the local union of the United Packinghouse Workers of America, affiliated with the Congress of Industrial Organizations, were carried on with patience, flexibility, and in a co-operative spirit by the company and the union.

Constructive relations have continued to obtain between the company and Local 9 to which all production employees belong under a union-shop contract. Responsible company and union officials both said to me recently that union and management relations are "very fine" and "we get along okay."

The agreement calls for a basic average forty-hour week. Employees agree during rush seasons to work up to fifty-three hours a week for the same wages, and the company agrees to pay the same weekly wage in slack seasons when employees work less than forty hours. Wages, hours, and working conditions, including the important matter of budgeting the amount

of work to be done, are reached by negotiations and covered by agreement with the union.¹⁰

Testifying before a special Senate Committee, Mr. Hormel described graphically an incident which first set him thinking seriously about the injustice of the usual wage system.¹¹ During a slack season, he was obliged to lay off a worker. "You can't do that to me," the worker said. "You can't turn me out in the street. You wouldn't turn a horse out in the street." Yet industry generally, because of the wage system, does just that with workers by the millions.

Under the weekly and annual wage plan, Mr. Hormel pointed to increased efficiency and interest in their work on the part of employees, a reduction of labor turnover, and an assured force of skilled workers at all times. He called attention also to a large increase in the purchasing of automobiles, building of their own houses, and general welfare of workers' families because they are assured of a steady income and can plan their personal expenditures.

Mr. Roy Franklin, agent for the union, and Mr. E. E. Jacob, its president, also confirmed these results and testified as to the satisfaction of the workers with the plan. They pointed out, however, that such a plan would be a detriment to labor in a company which was not organized because it would lend itself to undue speed-up systems, through setting unreasonable work budgets. Both Mr. Hormel and the union representatives emphasized the value of the union as a means of raising wage standards throughout the whole industry and as a protection to the single employer who desires to pay better wages.

A scientific study of the effect of the Hormel plan on the

¹⁰ Section 7 of the Fair Labor Standards Act outlines conditions under which annual wage plans can be set up.

¹¹ See United States Senate Special Committee to Investigate Unemployment and Relief, pages 943-57, 987-97, for testimony of Mr. Hormel and Mr. Roy Franklin, Business Agent Local 183, United Packinghouse Workers' Union, and Mr. E. E. Jacob, its president.

economic life of the entire community of Austin was published by the University of Minnesota in 1942.¹² The growth of population and the increase in employment both by the company and in the service trades of the city are described, and the effect of stabilized purchasing habits of Hormel employees carefully analyzed.

The successful regularizing of incomes of the employees of the Hormel Company (about 99 per cent of employees at Austin are now on a guaranteed weekly wage throughout the year) is the more astonishing in view of the fact that the meat-packing industry in general is highly seasonal and has the highest labor turnover of any major industry in the United States. Not only did the labor turnover at Hormel become negligible following the introduction of the plan, but company officials and union representatives whom I interviewed at Austin in October, 1942, all stated that even the high wages and overtime pay in some war industries have lured away "very few" Hormel employees.

American industry and labor will do well to study more carefully not only the Hormel plan but other wage and income security plans such as those of Procter & Gamble, the McCormick Co., Nunn-Bush Shoe Co., and others described by Prof. Emerson P. Schmidt of the School of Business Administration, University of Minnesota.¹³

Toward the Salvation of Democracy

The insecurity of the wage system under which the masses of industrial workers are employed and particularly mass unemployment have constituted the economic rock upon which one political democracy after another has gone down. Other very important factors must enter into the abolition of unem-

¹² *Economic Effects of Steady Employment and Earnings*, by Jack Cherrick. University of Minnesota, Minneapolis, Minn.

¹³ See "Wage and Income Security Plans," by Emerson P. Schmidt. *The Journal of Business of the University of Chicago*, 1941, Vol. XIV.

ployment. But guaranteed weekly earnings by all industries would not only inject new life into the entire national economy in normal times but would tend to nip in the bud the first signs of the creeping paralysis of cyclical economic depression. For at the first signs of business recession, it has been customary for industry either to reduce wages or to curtail output (and with it total wage payments). Both of these courses immediately spread the disease by reducing purchasing power, causing less demand for goods, more recession, and increased unemployment—and the spiral goes down and down.

Organized labor and New Deal economists have of late years insisted that *wage rates* should not be reduced during recessions so as to avoid reduction in purchasing power. But the tragedy is that *rates of pay do not necessarily maintain purchasing power*. Only *guaranteed* weekly and annual income will do that.

Living with Fifteen Unions

Having heard that The Paraffine Companies, Inc. had gotten along with fifteen different labor unions (including A. F. of L., C. I. O., and an independent union) for five years without labor trouble, I made a pilgrimage to Emeryville, near Oakland, California, and had a long interview with the personnel director, Mr. R. S. Smith. I also checked separately with a number of union officials involved, all of whom spoke in highest terms of the company and its industrial relations.

The Paraffine Companies, Inc., which manufacture roofing, paint, linoleum and other products, previously had an employee representation plan called the Pabco Employees' Association. It also had group insurance and vacations with pay. During 1937, when unionism was in the air and many plants were being organized on the West Coast, this company took the initiative and announced that it would be glad to have its 1,400 employees decide by secret ballot whether they would

prefer to become members of national labor unions. Sixty-eight per cent voted in the affirmative. The company then allowed the use of its cafeteria for representatives of various unions to discuss with the employees of various departments what unions they wished to join. The company had taken the position throughout that it would exercise no influence one way or the other in jurisdictional choices between unions, allowing any such disputes, if they arose, to be settled by the National Labor Relations Board. The result of many meetings was that the employees joined eighteen different unions representing both A.F.of L. and C.I.O. and one independent union (the welders'). In the course of the next five years, these unions have been reduced by voluntary action to fifteen, including the following:

Carpenters' Union, Local No. 36

Corrugated Fibre Products & Waxed Paper Workers, No. 382

East Bay Union of Machinists, Lodge No. 1304

Electrical Workers, Local No. 595

International Brotherhood of Structural Iron Workers and Riggers

Oil Workers International Union, Rodeo, Local No. 326

International Union of Operating Engineers

Paint Makers' Union, Local No. 1101

International Brotherhood of Pulp, Sulphite and Paper Mill Workers, Local No. 255

Sheet Metal Workers' International Association

Sign, Scene and Pictorial Painters Union, Local No. 878

Steamfitters' Union, Local No. 342

Brotherhood of Teamsters & Auto Truck Drivers, Local No. 70

Warehousemen's Union, Local 1-6, I.L.W.U.

Welders' International Association

The contracts with all these unions are identical so far as the major clauses are concerned, including the adjustment of grievances through grievance committees and adjustment boards, or arbitration. Up to May, 1942, only one case has been appealed to an arbitrator and there have been no strikes or lockouts. Every production employee in the company belongs to some union, and in the case of the warehousemen, the employees are obtained through the union hiring hall. In the course of these five years only one employee quit because he refused to join some one of these unions and pay dues. There is no check-off, and initiation fees and monthly dues are moderate. Lawyers have rarely been brought into negotiations or into the drafting of contracts, operating company officials and union representatives preferring to carry on their relationships directly.

Labor and Management Go to School

The Paraffine Companies and the unions set another good example in their emphasis on education for both the union members and officials, and, for the company department heads and foremen. A beginning was made at once after contracts were signed by conducting conferences for union and company officials for training in "the conference method" and the use of facts rather than coercion in arrival at constructive compromises. The following year a series of educational meetings were held under the "Labor Relations College" with expert speakers, government officials, labor union leaders, personnel directors, safety experts, professors of economics, and others.

The company now has joint union-management production committees in each department and for the plant as a whole. The labor representatives on these committees can bring up for discussion any matter involving methods of operation which they feel could be improved. Final decision as to whether these are to be adopted or not rests with the management, but labor can appeal any decisions, if it desires, to a representative of the National War Production Board.

"What in your judgment is the explanation of the fine record of your company in labor relations with fifteen unions of all kinds under one roof?" I asked.

"There is only one basic secret to good labor relations," Mr. Smith replied, "and that is to put yourself in the other fellow's shoes, study his problems and get him to study yours, then apply a good bit of realistic thinking and common sense."

Joint Committees in War Production Industries

The establishment of a large number of joint labor-management production committees in war industries at the request of the National War Production Board makes imperative a thorough study, by those involved, of the previous experience of many employers and unions, some of which have been described in the foregoing chapter. Unfortunately the "cost plus" basis on which many war contracts have been let out does not in itself provide the maximum incentive toward efficiency and low cost operation. On the contrary, the *economic incentive* involved in such a system offers constant temptation to both management and men *to run up costs*, the former receiving back all such costs plus a profit on the total; the latter gaining in total wages and overtime. It is a tribute to American labor and employers that under such conditions, production proceeds with substantial efficiency. Even under the faulty incentives of the "cost plus" system, properly conducted joint management-labor production committees may be expected to bring new health into production procedures as honest men confer on these daily problems of operation.

It is also to be hoped that out of these war industry committees there may come momentum for more general reconstruction of industrial relations along constructive lines in our normal peacetime economy. This cannot be expected to happen automatically, for people who are thrown into one another's arms by some external upheaval do not always stay put. On the other hand they may learn to live together and like it.

Conclusions

In concluding this section on union-management co-operation, it can be said that there is ample evidence that, with the exception of the limited number of situations where racketeering or unintelligent leadership is in control, labor unions may be expected to respond to reasonable arrangements with employers for higher efficiency and economy of operation. A wider understanding of this fact would eliminate much of the fear of employers who have previously hesitated to enter into union relations.

It should be noted that one of the conditions for success in union-management co-operation through joint production committees or group meetings is that such committees or meetings shall *confine their entire attention to questions of operation and production*. All grievances or negotiations on wages and working conditions should be referred to the grievance or negotiation machinery of the union and the company, even though the personnel of such committees may be identical. Don't try mixing these psychological drinks. For during grievance or negotiation procedures the attention of both company and union representatives is naturally focussed on securing what, to put it politely, each considers fair to the interests of his own side.

Funerals—or New Life?

Indeed, it is because of the above fact that organized labor and management who meet *only* when controversial issues have arisen or for negotiating a contract, get along together about as well as distant relatives who meet only at family funerals and occupy themselves discussing the will of the deceased. Industry will be less likely to assume the rôle of the deceased if frequent joint meetings of company and union representatives are held *for the express and sole purpose of*

keeping ahead of the undertaker—in fact of injecting new life and creative intelligence into the entire industrial process.

Trends in Labor Leadership

Furthermore, co-operative relations on the part of employers with unions tend to develop reasonable and intelligent labor leaders. As long as industry fights against the organization of employees, it is to be expected that labor unions will feel the need of belligerent fighters as their leaders. As long as employers subtly try to get rid of unions, labor leaders will be suspicious fellows, and hard to live with. When, on the other hand, industry enters into permanent co-operative relations with unions, and matters are settled by agreement across the table and in joint scientific research, the very situation itself develops labor leaders who deal by means of reasonable presentation of facts and by realistic adjustments. As the British manufacturer, B. Seeborn Rowntree, declared on his visit to America before the war: "I can well realize that there may be a difficult time for many American employers through having to recognize the trade unions, but quite apart from recent legislation, sooner or later they would have had to do it, and as the unions find that they are no longer repelled by employers, they will gradually show the same helpful and co-operative spirit as they show to good employers in Britain. The unions will find that in the long run it pays them better to entrust their negotiations to tactful diplomats rather than to blundering bullies." This change has already taken place in wide areas of American labor unionism.

Nor can this chapter stand alone in any comprehensive consideration of labor morale and constructive industrial relationships. The chapters which follow on profit-sharing, on labor as consumers sharing more widely in ownership and responsibility in industry, and on labor as citizens, and on workers' education are also directly related to the ultimate solution of efficiency in industry.

IX

PROFIT-SHARING

Labor unions, necessary as they are to assure democracy, are not enough. Some further principle which will more closely integrate the interests of workers and employers is needed. The principles of partnership must be increasingly applied to industrial relations. The basic principles of partnership are (1) a voice in the management; (2) knowledge of the books and of the problems of successful operation; (3) a share in the ownership, risks and profits of the business.

A voice in management, at least with reference to wages and working conditions, is assured by union agreements. But in the usual employee status, even in union shops, no provision is made for the other principles of partnership. Labor does not share with employers in ownership, nor in risks, except for labor's very real risks of part-time employment, unemployment and accident hazards. Labor does not share in the profits. With the exception of progressive concerns, many of which were described in Chapter VIII, labor is seldom given information about how much money the company is making or losing, nor is it systematically informed about the difficult problems of successful management. One sometimes hears the remark, "Labor and Capital are really partners—why don't they act like partners?" The answer to that is they are not partners.

There are still larger questions of widespread democratic ownership of industry which will be discussed in a later chapter, but the subject of profit-sharing with employees in private industry is a vital one for those employers who desire to share

profits with their workers as a matter of justice, and who desire a spirit of partnership to pervade their plants. The exact provisions for a profit-sharing plan are difficult to arrive at and will vary greatly according to the type of industry and other business conditions.

While we shall not attempt to discuss this subject at length, certain principles of successful operation of profit-sharing plans may be enumerated. In the first place a labor union should be recognized if the workers desire it, and standard union wages for all employees must be paid in any case. Otherwise the plan will fall under suspicion—sometimes fully justified—of being a “come-on” device to get more work out of employees with lower annual wages, even including the profit-sharing payments. Second, the plan should be geared to results of the business each year rather than providing a flat “bonus.” Third, the plan must include all workers (after a period of perhaps one year’s employment). Fourth, in addition to the usual union safeguards with reference to discharge and the democratic adjustment of grievances, labor must be fully informed on the financial status of the company and receive regularly its profit and loss statements. To avoid suspicion and secure full co-operation, no vital information should be withheld from labor. Fifth, a representative of labor, elected by the workers, should be seated on the Board of Directors of the company. Sixth, a publicity and education program must be carried on to keep all partners informed on the condition of the company, orders received, sales, production problems, possibilities for increased efficiency.

Various methods for the actual rates and bases of profit- or economy-sharing have been used. One of the prerequisites for success is for labor itself to participate in formulation and acceptance of the plan. The *Survey Graphic* for January, 1939, describes one of the most significant profit-sharing plans—that of the Joselyn Manufacturing Co. of Chicago. It also lists other

plans, including those of Procter & Gamble and the General Electric Corporation.¹

When profit-sharing plans are properly and fairly planned and intelligently administered, a new "partnership spirit" results. There is keener interest in work, more concern for eliminating waste, intelligent interest in problems of successful operation, and great reduction in labor turnover, employees being anxious to retain their jobs in such a concern.

Some illustrations may be cited of the effects of such a partnership plan at the Dutchess Bleachery at Wappingers Falls, New York, with which the writer was associated:²

"One of the machine runners in this mill, through carelessness, spoiled many thousands of yards of cloth by 'pin cuts.' The plant paper published a letter from the Sales Manager, stating the seriousness of this loss, and saying that it might amount to a loss of as much as \$6.00 apiece in profit-sharing to every one in the factory. The result was that although neither the department nor the individual was mentioned, within thirty minutes the whole factory knew about the loss, knew what room it had occurred in, and the man who was responsible, and every one was so sore that it seemed doubtful whether the operative at fault would get home alive! Here you have public opinion strongly in favor of good work in the factory. In an ordinary factory, the comment of the operatives on such a loss would have been, 'Hell! the Company is rich. Let them stand it.' But under profit-sharing every one was down on the man who had caused this common loss. An Italian in the same room with him even walked up to him and said,

¹See also: *Profit Sharing for Wage Earners*, by C. C. Balderston. New York, Industrial Relations Counselors, 1937. *A Way to Social Peace*, by Henry Wickham Steed. New York, Columbia University Press, 1935. *Profit Sharing and Stock Ownership for Employed*, by Gorton James and others. New York, Harper & Brothers, 1926.

²*Representative Government in Industry*, by James Myers. New York, George H. Doran Co., 1924.

'You took away \$6.00 of mine. Give it back to me right now!' . . .

"A representative of the Shipping Department stated that in his department there used to be a big turnover, that they were unable to keep men to do the heavy work of loading the trucks in all weather and that new men were constantly hired. Since the plan went into effect, he remembered no changes. Formerly, also the gang used to grumble and kick when large shipments of goods came down late in the afternoon to be gotten to the station, but that now the bigger the shipments the better they liked it, as they all say 'business must be good and there will be profits for us all at the end of the month.' . . .

"On another occasion, the engineer of the Company tug was coming home late in the evening. This engineer is on a salary basis and receives no overtime when he works late. He was asked what made him so late getting home from work, and he said that they had been obliged to take a scow down to — because they didn't dare to leave it over night at the dock on account of what the other workers would say about the loss to the partners in the expense of demurrage. 'They would say, "You're a fine partner, you are. Why didn't you get that scow down last night?" So we took her down.'"

A highly illustrative incident may also be cited of a small printing concern. The owners did not know what to do with one of their most expert printers who spent most of his time talking, complaining, criticizing, knocking and trying to stir up trouble. The company finally decided upon the bold experiment of taking this man into the firm as one of the partners. His skill justified this move, although his radical ideas seemed to make it a dangerous experiment. Some months later a member of the firm was questioned about the results. "Do you know," replied the official, "that man hasn't got very much to

say any more, *but he's working like the devil!*" Some people say that "you can't change human nature." Yet it is important to note the effect on human behavior of a mere change in economic relationships. This man had no more education, religious idealism, potential ability, or health than before. He even had the same set of glands (to which it is popular nowadays to ascribe the causes of human behavior). Yet he acted like an entirely different man. If we expect workers in American industry to act like partners, there is only one way to assure such results, and *that is to make them all partners in industrial enterprise*. More far-reaching steps in that direction will be described in the next chapter.

X

DEMOCRATIC OWNERSHIP

The extent of participation in the ownership of economic enterprise is at once a final test of democracy, and the measure of constructive response of the workers to an economic system.

There are three principal methods of increasing the spread of ownership of industry.

Profit-Sharing and Stock Ownership in Private Industry

First, there is the extension of profit-sharing plans and stock ownership by employees in private industry. The merits of profit-sharing were discussed in the previous chapter. What is generally known as "employee stock ownership" as it is practiced in most of the corporations which have such plans, is not particularly significant. The *per cent* of ownership by employees is ordinarily small, and even when they hold common stock carrying a vote, the employees do not acquire an effective voice in the management or control of the company.

I once witnessed a stockholders meeting of a corporation which had such an employee stock-ownership plan. The employee stockholders were feeling quite proud of their new status and determined to have a voice in the affairs of the company. Together they owned a total of some five hundred shares giving them five hundred votes. It was, however, a little dashing to their new sense of power when a gentleman walked in from New York and voted ten thousand shares on behalf of himself and other absentee stockholders. He won. However,

all such plans when sincere help to a varying degree toward a feeling of unity and participation in industry.

When in the few cases of small companies where employee stock ownership becomes a controlling influence through their holding over 51 per cent (or all) of the stock, a new situation exists practically identical to that of "self-governing work shops" or producers' co-operatives. The history for the past one hundred years in England and in this country reveals a very high mortality of such experiments. One of three things is apt to happen. First, under a system of "too much democracy" when all owners are also the workers, there may develop so many differences of opinion among these equal stockholder workers as to impair efficiency. Second, sometimes one or two strong personalities may gradually buy off the others and the concern becomes an ordinary privately owned corporation. Third, and in any case, such a producers' co-operative, so far as the system itself is concerned, works under a philosophy no different from that of a privately owned capitalistic concern except that the entire group gets in on the profits. History has shown that the system known as consumers' co-operation, to which this chapter will be chiefly devoted, has avoided the weaknesses of such producer co-operatives, and has had an amazing record of success both in consumer distribution and in production through factories owned by consumer co-operative wholesales. It has also developed a philosophy for a co-operative economy in which all classes share the benefits.

Public Ownership

A second means of democratic ownership lies in the whole field of public ownership, municipal or federal, of public utilities and other industries. In public ownership all citizens involved in the local or national political unit become the owners. This is a large subject and involves problems of the possibility of democratic management, and the dangers of trends toward

political bureaucracy, statism and totalitarianism whether Fascist or Communist, with an entirely different set of problems and balance sheets of gains and losses in human liberty. It is not our purpose to attempt any discussion of this subject. It is well to point out, however, that whether we like it or not it is quite probable that postwar conditions will drive us toward further collectivism of some sort. As Stuart Chase points out,¹ the millions of men (perhaps a third or more of the population) involved in the military forces and war industries will be in no mood to take lying down the utter insecurity and unemployment which followed the last war. The chances are that the government will take a stronger hand than ever before in a postwar economy.² It should be noted that a "mixed economy" is also possible with elements of public ownership, private ownership, and co-operatives. One of the most illuminating and hopeful accounts of such an economy is the book by Marquis W. Childs, *Sweden: The Middle Way*.³

Consumers' Co-operation

In the present volume we shall confine our attention to a third form of democratic ownership which is known as consumers' co-operation. This system is of interest to members of all economic classes, as well as to farmers and industrial workers. In profit-sharing plans in privately owned industries, there

¹ *The Road We Are Travelling*, by Stuart Chase. New York, The Twentieth Century Fund, 1942.

² *The Coming Showdown*, by Carl Dreher. Boston, Little, Brown, 1942—offers an interesting analysis and suggests ways in which democracy might be preserved along with "democratic collectivism."

³ *Sweden: The Middle Way*, by Marquis W. Childs. New Haven, Yale University Press, 1936. Such books as *American Socialism; Its Aims and Practical Program*, by Harry W. Laidler, New York, League for Industrial Democracy, 1937; *Soviet Communism: A New Civilization*, by Sidney and Beatrice Webb, New York, Scribner, 1938; *A Mission to Moscow*, by Joseph E. Davies, New York, Simon and Schuster, 1941; and *The Managerial Revolution*, by James Burnham, The John Day Co., 1941, should be studied. See *The People's Business*, by Joshua Bolles, New York, Harper & Brothers, 1942, for the most up to date account of consumer co-operation in the United States.

is a serious tendency for the owners and employees seeking joint profits, to gang up on the consumers in matters vitally affecting prices and quality. Since the working class constitutes the largest body of consumers, they themselves suffer in the end. Indeed it is refreshing to discover that amidst all our clashing economic interests, there is one common economic bond which is as broad as humanity itself. Whatever other economic interests tend to divide us into classes or nations—we are all consumers. And as consumers we all have certain economic interests in common.

It is therefore only common sense to build a business system on this economic common denominator of mankind. And this is the basic philosophy of consumers' co-operation.

Consumer co-operatives are to be distinguished from producers and marketing co-operatives. The latter serve a useful purpose, particularly among farmers enabling them to secure better prices for their products, but lack the broader base, wider purposes and economic philosophy of consumers' co-operation. Groups of American farmers, however, have also taken the lead in developing consumers' co-operation in this country.

Consumers' co-operation was born ninety-four years ago in the little town of Rochdale, England, when twenty-eight working men and women started the first co-operative store. It has grown from that humble beginning, with wide support in many countries by labor groups and farmers, until there were over seventy million members of co-operatives in thirty-eight countries of the world, including the United States.⁴

Co-operative enterprises now include both distribution and manufacturing, to a varying extent, in different countries. They cover a wide range of commodities and services, such as groceries, farm machinery, feed, seed and fertilizer, clothing, furniture, foods, transportation, coal, lumber, gas, oil, automobile tires, housing, rural electrification, credit unions and banks,

⁴These figures are now subject to revision because of the effect of the war in Europe.

bakeries, milk distribution, medical service, insurance, and burial co-operatives. They supply human needs "from the cradle to the grave."

Consumer-Owned Industry

Consumers' co-operation may be defined as consumer-owned industry. It grows "from the ground up." A group of consumers band themselves together in a co-operative business—let us say for purposes of illustration, a co-operative store. Each member purchases one or more shares of stock (usually \$5 or \$10 a share) to finance the enterprise. A board of directors is elected, a manager appointed, a place of business rented, a stock of goods purchased, and the co-operative proceeds to supply its members with needed services. Later co-operative wholesales are established by the retails to supply local co-operatives with goods at wholesale prices. Manufacturing enterprises are undertaken by the wholesales to make further savings for the consumers. In Great Britain and the Scandinavian countries manufacturing has assumed large proportions and covers many products. In the United States wholesale consumer co-operatives already are engaged in manufacturing petroleum products, "from the oil well to the consumer," fertilizer and other enterprises.

Rochdale Principles

There are four basic principles of a "Rochdale" consumers' co-operative. First—economic democracy with one vote for each member of the co-operative rather than a vote for each share of stock as in an ordinary corporation. The co-operative thus magnifies in its system of economic control the value of a person rather than the value of property. Second—limited interest is paid on capital invested. Third—the earnings or savings of the business are returned to the members in the form of patronage dividends on the basis of the total amount of their purchases. The fourth principle of a co-operative is open mem-

bership, thus extending its benefits to all, regardless of class, color, creed or condition.

It is possible here only to point out certain vital interests of labor in consumers' co-operation, and to list some of the problems of the relationship of organized labor and the co-operatives.

Wages and Prices

Labor has learned—or is learning—that the mere raising of wages does not necessarily improve its own economic welfare. If prices also rise—as so often happens—labor is just where it started. Organized labor suffering and struggling to gain higher wages, but losing out because of increasing prices of the goods which they must buy for their own family needs, has been likened to an army which gives back at the end of each week all the territory it has gained.

As an illustration the case may be cited of a town in Minnesota which is a thoroughly organized "union town" with large paper mills and other industries. When, through the processes of collective bargaining, an increase in wages has been obtained to become effective on a given date, the storekeepers keep their clerks overtime the night before marking up the prices of all goods which the workers have to buy. Organized labor, when it is concerned solely with raising wages, is much like a dog chasing its tail and comes out just about where it started.

Union labor in Great Britain, Scandinavia and other lands long ago saw that prices must be kept down if higher wages were to result in any economic improvement for their families. In consumers' co-operation they found an effective way of accomplishing in a large degree this result.⁵ In America both the

⁵ See *Sweden: The Middle Way*, by Marquis W. Childs, New Haven, Yale University Press. 1936. *Consumers Cooperation in Great Britain*, Carr—Saunders et al, London, George Allen & Unwin, Ltd. 1938. *The Discovery of the Consumer* by Beatrice Webb, Cooperative League of the U. S. A., 167 W. 12th Street, New York, 10 cents.

A. F. of L., the C. I. O. and Railroad Brotherhoods have passed favorable resolutions on consumers' co-operation, and increasing interest is being shown by workers in many industries who are discovering that consumers' co-operation offers a way "to give yourself a raise without even asking the boss."

High Wages and Low Prices

From the point of view of labor, and also in the interest of the economic welfare of the entire country, it should be noted that consumers' co-operation has a definite contribution to make to the apparently unanswerable conundrum of how, at the same time, to raise wages and lower prices in order to create a sufficient volume of purchasing power to balance production and consumption, keep our factories and farms running at capacity, and abolish unemployment.

There is impressive evidence that consumers' co-operation in countries like Sweden and Finland, where it is most highly developed, is actually helping to solve this apparently impossible economic riddle of keeping wages high while at the same time reducing the cost of living. Unemployment has been practically abolished. Other factors have also played their part, including a strong organized labor movement, labor-farmer governments, public ownership of utilities and favorable foreign trade. It should be noted also, for what bearing it may have, that these countries are as yet in the stage of industrial development.

Farmer-Labor Conflict

Co-operation also offers a valuable technique for solving another difficult problem of economic relations—the farmer-labor conflict. It can be the medium of assuring higher prices to farmers for agricultural products, while at the same time keeping net prices down for city consumers. While the co-operative movement has not yet extensively developed such direct rela-

tions between farmer producers and city consumers, still there are significant demonstrations of what can be done, both in Europe and in the United States. We may cite as illustrations the co-operatives at Waukegan, Illinois, and Maynard, Massachusetts. The latter is a city consumers' co-operative which is composed chiefly of factory workers. Through the dairy department of this consumers' co-operative it was reported that city workers obtained, at regular market prices, milk, butter, eggs, and other dairy products on which a patronage dividend of about 10 per cent has been returned to them for a number of years. *During these same years the farmers were paid by the co-operative about 25 per cent more than their products would have brought from private dealers.* And the quality of these dairy products was so high that, strange as it may seem, charges of unfair competition were made against the co-operative. When the co-operative was asked why it sold so much better quality goods at the same price, the reply was that the very purpose of a co-operative is service to the largest number of people with the highest quality goods, at the lowest possible net prices, while paying the highest possible wages to its employees.

It was said of the Son of Man that He came not to be ministered unto but to minister. He also said, "Seek ye *first* the Kingdom of God and His righteousness and all these things shall be added unto you." It is becoming clear that sound economics coincide with fundamental ethics. The only scientific *practical* economic system will be one which is founded and organized definitely and primarily for human service. Consumers' co-operation, founded on these principles, brings forth economic benefits for society as a whole. *It tends to maintain high wages for industrial workers and fair prices to farmers, while it assures lower prices to consumers.* Any economic device which can do that is pregnant with hope not only for a national balance between production and consumption on a basis of abundance, but also for world peace.⁶

⁶ *Cooperatives and Peace.* By Harold Fey. Cooperative League of the U. S. A., 167 W. 12th Street, New York. 5 cents.

Economic Democracy

The means by which the co-operative movement seeks to achieve economic and world peace are as important as these objectives themselves. The reliance upon coercion and force by dictatorships both of the right and of the left will in the end defeat their own purposes. Consumers' co-operation, on the other hand, is voluntary. It is not imposed from the top down by autocracy, either political or industrial. It is built in democratic fashion by the people themselves from the ground up. It restores to the common people the basic opportunities which they have so largely lost, even in America, of sharing in the ownership and management of their own business. It thereby restores once more to the common people the chance to practice our distinctive American virtues of initiative and self-reliance.

Co-operation Builds People

It is because co-operation is voluntary and democratic that it has important effects on *people* as well as upon economic conditions. Democracy alone throws back upon every person in a group the responsibility for decisions and thereby helps each one to grow intellectually and morally, to develop in capacity, judgment and responsibility. Consumer co-operation is economic democracy in which every member shares in the responsibility as well as in the savings and risks of a common enterprise. It tends, therefore, to develop people as well as a business.

The effect of co-operation on people stands in sharp contrast to that of modern mass production. A great automobile manufacturer has said that the "task of modern management is to take the burden off the backs of the workers and put it on a machine, and to take the burden off the minds of the workers and put it in the front office." What is to become of the workers as human beings?

As an illustration of the opposite effect of democratic ownership and responsibility in a co-operative, let me cite an experi-

ence when I had the privilege to sit in at a meeting of the Board of Directors of a consumers' co-operative store in the coal fields. I happened to know that some of the coal miners on the Board were looked upon by the owners of the coal mines as "unreasonable and irresponsible." It was interesting to note, however, that when placed in a position of responsibility in the management of a co-operative, these same men dealt with business problems as realistically and intelligently as any good businessmen. They discussed, among other things, the case of an employee who had been doing inefficient work. They voted to give him a month's warning, to help him all they could, but if he did not improve to discharge him. There is only one way to develop "responsible" industrial workers, and that is to give them something to be responsible for. Eventually it will be discovered that wider ownership of industry by the common people is the best way to allay the dangerous industrial unrest out of which all revolutions are born.

Labor-Consumer Co-operatives

While our farmers deserve the credit for the major development in consumers' co-operation in America, labor unionists are now increasingly interested and active. In addition to the older co-operatives, composed largely of industrial workers, which have been successfully conducted by Finns, Bohemians and others in Wisconsin, Ohio, Massachusetts, Illinois and other places, new co-operative societies have sprung up among labor groups in the past few years. In Racine, Wisconsin, there is a co-operative society, only seven years old, doing a business of nearly \$400,000 a year. It operates a store, a credit union, a clothing store, a coal yard, and several gasoline stations. Some 80 per cent of its members are labor union members working in various industries.

One occasionally hears an employer, exasperated by the demands of organized labor, declare that labor ought to try to

run the business itself and that such an adventure would soon end in failure. Yet the history of the co-operative movement shows that "common labor" and farmers are entirely capable of running a business when given an opportunity, provided they adhere closely to Rochdale principles of co-operation.

The movement for co-operative credit has also been growing rapidly in this country. Credit unions or "baby banks" formed and managed by their own members provide at low interest the loans which working people are commonly unable to obtain from banks, and for which they are obliged to pay exorbitant interest to loan companies. Credit unions also cut the costs of installment buying. They provide a means of thrift and enable workers to finance many of their own enterprises. They bring a sense of self-respect and economic self-determination into the lives of workers.⁷

There are many problems in the relationships of organized labor and co-operatives, such as the recognition by co-operatives of labor unions, the adoption of union wages and hours for their own employees, the handling of union label goods where possible by co-operatives, and on the other hand, the fair treatment of co-operatives by labor unions. These problems have been happily solved by many co-operatives and are the subject for increasing joint study and friendly discussion between leaders of the two movements.⁸ Labor unionists concerned about these problems will be interested to note that highly satisfactory solutions have been arrived at in those countries and in those places in this country where members of organized labor have done most to help build the co-operative movement.⁹

⁷ Send for information to Credit Union National Association, Madison, Wisconsin.

⁸ See *Consumers Cooperation*, December, 1938, for account of Institute on Organized Labor and Consumer Cooperatives at Dillonvale, Ohio, and April 1939 issue for account of similar Institute at Racine, Wisconsin. Published by The Cooperative League of the U. S. A., 167 West 12th Street, New York.

⁹ For further information and discussion see *Labor and Co-ops*, by James Myers. The Cooperative League of the U. S. A., 167 W. 12th Street, New

Consumer-Labor Protection

THE UNION LABEL

A section must be added on the device which organized labor has developed to encourage the purchase of goods made under union conditions. This is known as the union label attached to the manufactured article or displayed in the window of a union shop. To be sure, goods made under better labor conditions are not always the best buy for quality and price. This is not generally the fault of organized labor since it is employers who determine the quality of materials used, and set the prices. While there are cases where union labels have been exploited for other purposes, yet they constitute in general the best single guarantee to the purchaser that articles have been made under fair labor conditions and are not sweat-shop goods produced by underpaid labor under bad conditions. Loyal trade unionists, purchasing agents for co-operatives, and conscientious citizens "look for the label." However, it is not always easy to find "union-label goods" to meet all needs. It is relatively simple to buy union-made brands of satisfactory quality and price in most items of clothing, printing, coal, tires, gasoline, and to patronize union hotels, restaurants, taxis, barber shops and many other goods and services.¹⁰

However, even when goods are manufactured under union conditions one's conscience can hardly be at rest, for one needs but to trace the source of raw material, for instance, in a union-label cotton shirt, and one finds oneself amidst the deplorable conditions of the share-croppers. One needs only to trace back

York. 15 cents. Write for information also to headquarters of the A. F. of L., C. I. O., Railway Brotherhoods and such International Unions as the United Rubber Workers, United Auto Workers, Textile Workers, United Steelworkers, International Ladies Garment Workers, and Amalgamated Clothing Workers.

¹⁰ Write to American Federation of Labor, A. F. of L. Building, Washington, D. C., and to Congress of Industrial Organizations, 718 Jackson Place, N. W., Washington, D. C., for lists of union label products.

the raw material far enough behind even the few brands of union-made as well as other tobaccos to find one's feet on tobacco road with all of its misery.

When it comes to groceries and food products, it is possible, for instance, to secure union-manufactured flour. Some canneries and processing plants are also organized, but unions among agricultural labor are few and comparatively small. The larger crops in sugar beets, peas, beans, tomatoes, onions, celery, lettuce, grapes and raisins, oysters, and citrous fruits are generally picked by migrants and child labor under deplorable standards and conditions.

American labor will need to be organized on wider fronts, and federal legislation will need to be enacted setting up minimum wages and maximum hours and abolishing child labor in commercial agriculture as well as in industry, before consumers' co-operatives and American citizens can buy and eat with a good conscience.

Conclusion

It is imperative that the saving principle of democracy shall find expression not only in political life but in labor relations and in economic relations.

May we repeat the general principle that the extent of participation in the ownership and management of economic enterprise by the common people is at once a final test of democracy, a measure of the efficiency and enthusiasm to be expected from the workers, and one of the surest guarantees of lasting loyalties of free men for the institutions of democracy.

XI

LABOR AS CITIZENS

The labor union movement has always insisted that "labor is not a commodity" to be bought and sold or reckoned in the same category as other costs of production. (This statement has been written into the law as part of the Clayton Act of 1914.) Unions have insisted that labor is composed of human beings with all the aspirations of mankind. It has, in fact, through collective bargaining raised millions of men and women from sweat shops to self-respect. Yet even this achievement does not represent the whole of the larger objective of the labor movement, which is rather the attainment of a new status of dignity for working people in human society.

Through labor unions workers have found an opportunity, not enjoyed by unorganized employees, to discuss their common aims and to make their influence felt on wider social issues affecting the nation and the world. Labor union meetings have become, in varying degree, forums for the debate of public problems. Through them union members have achieved a higher and more intelligent status as citizens. While it is true that labor union meetings and conventions exhibit all the weaknesses as well as the strength common to all democratic institutions and procedures, it may be said that the labor movement constitutes a major safeguard in the preservation of our democratic form of government.

In their actual impact upon civic and political life we may divide the activities and influence of trade unions under two general heads: first, their effect upon social legislation; and,

second, the more direct and conscious efforts of labor to elect political candidates or to form political parties of their own.

Social Legislation

A careful reading of history shows that organized labor, through resolutions adopted at local, state and national union meetings, through appearances of its representatives at hearings on proposed legislation, and through influence on representatives in legislative halls, has been a major factor in securing increasingly humane and liberal laws affecting the interests of organized and unorganized workers and the public. The record is an impressive one, starting in the early days of American history with a successful agitation for free public schools, the abrogation of imprisonment for debt, and the widening of the suffrage to all citizens.

In addition to advocating laws to protect its own particular interests, such as the right to strike and the right to picket, organized labor has been a major influence in obtaining legislation for public safety and health. Other state and federal laws for which organized labor has been chiefly responsible include provisions abolishing night work and unreasonably long hours for women, reducing child labor, abolishing sweat shops with their unsanitary and unsafe conditions, setting up workmen's compensation insurance for employees injured in industry, safeguarding civil liberties, and providing state minimum wage laws in low standard occupations. Organized labor helped to secure adoption of the Federal Fair Labor Standards Act, laws for slum clearance and low rent housing, social insurance against unemployment and old age, the National Labor Relations Law, and scores of minor safeguards for workers' health and welfare.

In contrast to the achievements of organized labor, it must be noted that *unorganized* labor has had no direct part in obtaining legislative reforms for working people. To the charge

that organized labor is "too class conscious" the reply is sometimes made that unorganized labor "isn't even conscious." Nor have employee representation plans, company unions, or "independent unions" had any appreciable influence on public affairs. In many instances citizens' organizations such as the National Child Labor Committee, the National Consumers League, the American Association for Labor Legislation, the American Association for Social Security, church bodies and others have been effective in helping to secure these reforms. Unfortunately, the record of employers' associations in general shows that, with a few exceptions, they have ordinarily been found actively in opposition.

Political Action

Under this section we shall discuss briefly the policies of organized labor with reference to the more specific issue of the use of its power at the polls in the election of political candidates. In view of the world trend toward increasing power of the state to regulate and control matters of vital concern to all citizens, and particularly in view of its power to determine peace or war, it is clear that economic action on the part of labor is not a sufficient guarantee of the welfare of working people.

It has long been a policy of the American Federation of Labor not to ally itself with a particular political party or to set up a labor party, but rather to "reward labor's friends" and "defeat labor's enemies" at the polls. For this purpose the voting record of legislative representatives has been watched and endorsements have been made of individual candidates for office regardless of their party affiliation. It is obvious from the foregoing section that labor has accomplished much by this method, coupled no doubt with the fear in the minds of politicians that a third party might at any time be advocated by labor if satisfactory results were not obtained. That such fear

is not unfounded is evidenced by the endorsement of Senator LaFollette, Progressive candidate in 1924, and by the statement of President William Green before the 1935 A.F. of L. Convention opposing the formation of a labor party at that time, but stating that the Federation would declare itself "in favor of independent political action, in the formation of an independent labor party, when the crystallized opinion of the workers indicates that they believe that their interests can better be served through such action rather than through the pursuit of non-partisan political action."¹

Independent Political Action

Whatever one's theory may be with reference to a separate labor party, it would seem clear that, in many democratic countries, such as in Great Britain, France, the Scandinavian nations, Belgium, Holland, New Zealand and Australia, progress in general labor welfare came earlier and in some important respects went much further than in the United States. (As we have seen, the consumers' co-operative movement also contributed to the advanced welfare of workers in many of these lands.) In the countries referred to, there have been not only strong labor union movements but powerful social-democrat, socialist, labor, or farmer-labor parties which, in a number of countries, formed governments. Dr. Harry W. Laidler stated that, prior to the second World War, such parties constituted the largest single parties in France, Belgium, Sweden, Denmark, Norway, Finland, Switzerland, Australia and New Zealand and the second largest parties in Great Britain and Holland. In France the Communists, as well as the Socialists, were strong, each having a political party of its own.² Of course

¹ *The New York Times*, April 12, 1936.

² *American Socialism*, by Harry W. Laidler. New York, Harper & Brothers; also *Political Handbook of the World*, Walter H. Mallory, Editor, 1939, Council on Foreign Relations.

developments during the war have completely changed the situation in many of the countries referred to.

It is of considerable interest to note the beginnings of labor political trends in the United States. Conditions and factors in this country are different in important respects and labor political action in America may not necessarily follow the pattern of the older labor movements. In *Toward a Farmer-Labor Party*,³ Dr. Laidler describes briefly independent political action in other countries and the situation in America. He gives a clear analysis of the alternatives in structure and policies and the principal problems which will have to be faced in the formation of a farmer-labor party. In *When Labor Organizes* (Yale University Press), Robert R. R. Brooks brings out some aspects of the greater difficulty as well as of the larger possible gains of labor political action.

As yet neither the A. F. of L. nor the C. I. O. has come out for a separate labor party. The C. I. O. set up as its political agency an organization known as Labor's Non-Partisan League which actively supported friendly candidates in existing parties. This organization was supplanted in 1943 by the C. I. O. Political Action Committee, working with larger funds along lines of political education and information to its members on the "labor records" of political candidates. In some localities A. F. of L. and C. I. O. work co-operatively, though there is no organic national collaboration.

The American Labor Party

In certain states where it felt the condition warranted it, as in New York, Labor's Non-Partisan League also encouraged the formation of labor parties. The American Labor Party in New York State has achieved quite spectacular results. Formed in 1936, it endorsed Roosevelt for President and Lehman for

³ *Toward a Farmer-Labor Party*. New York. League for Industrial Democracy, 1938.

Governor but did not run any independent candidates of its own. Some 263,000 votes were cast for Governor Lehman under the American Labor Party emblem.

In 1937 the American Labor Party was the first party to nominate La Guardia, a registered member of the A. L. P., for Mayor of the City of New York. It also made independent nominations for city councilmen, for state assemblymen and some other candidates. It conducted an independent campaign financed almost wholly by trade union contributions and by dues of its members.⁴ It polled 482,459 votes for La Guardia (24 per cent of the total vote for Mayor), and elected five city councilmen (out of twenty-six), and five state assemblymen of its own. In 1938 this representation in the Legislature shrank to one, and in 1939 its councilmanic representation to two. In 1940, 417,418 votes were cast in New York in the A. L. P. column for President Roosevelt.

In 1941, the A. L. P. again nominated Mayor La Guardia and endorsed other Fusion candidates for city wide officers, while running independent candidates for City Council. Mayor La Guardia received 434,297 votes in the A. L. P. column and was elected by a small majority of 52 per cent. Four A. L. P. councilmanic candidates were victorious.

In 1942, the party urged the nomination of U. S. Senator James M. Mead for Governor by the Democratic Party of the State, and when he failed of nomination and James J. Bennett, Jr. was nominated, the party decided to run its own ticket and

⁴For discussion of contributions and dues for a labor party collected through unions and the British law on the subject, see Robert R. R. Brooks, *When Labor Organizes*. New Haven. Yale University Press. 1937. p. 303. It may be noted that from 1913 to 1927, English law allowed a majority vote of a labor union to bind all members to contribute on a per capita basis to a political party except for those members who gave written notice to union officials of their refusal to be included in this arrangement. In 1927 the Trades Disputes Act passed by a conservative government stipulated that unions must secure written permission from each member before political contributions could be made on the members' account. See also "The Check-off In Politics," editorial, *New York World-Telegram*, November 7, 1939.

nominated Dean Alfange as an independent candidate. A straw in the wind toward further independent political party action was the endorsement in 1943 of the Co-operative Commonwealth Federation by the C. I. O. unions in Canada. The A. L. P. urged the electorate to vote for Dean Alfange as a means of building labor's independent political force in New York and defeating the enemies of the New Deal. Dean Alfange received over 400,000 votes.

The Socialists

The Socialist Party in the elections of 1937 withdrew its candidate for Mayor, Norman Thomas, "in the belief that such action would strengthen the labor movement and 'the party's usefulness in building a national labor party.'" ⁵ Two years later, in 1939, the Socialist Party in New York State, in a referendum vote, decided to make the A. L. P. under certain conditions its "electoral agency" in that State and numerous members of the party joined the A. L. P. with the party's consent and encouragement. Harry W. Laidler, a well-known Socialist, was elected to the New York City Council as one of the two A. L. P. successful candidates.

In the 1941 mayoralty campaign, however, the Socialist Party nominated its own candidate for Mayor, Professor George W. Hartmann, of Teachers College, Columbia, and in 1941 ran its

⁵ *Toward a Farmer-Labor Party*, by Harry W. Laidler, p. 38. Dr. Laidler also quotes Norman Thomas, thrice candidate for President on the Socialist Party ticket, with reference to that party's attitude toward a national labor party, as follows: "The next logical step for Socialists who rejoice in the progress labor unions are making under the C. I. O. would seem to be the formation on a national scale of a labor, or, better, a farmer-labor party. We should not expect that party immediately to be fully Socialist. It could not take the place of Socialist organization for purposes of education and agitation. But Socialists should be delighted to work with it in election campaigns. It is clear that the workers are more likely to resort to such a party than to flock in great masses to the Socialist Party." However in the belief that there was little or no chance for the formation of a labor-farmer party on a national scale in 1940, the Socialists in their April, 1940, convention in Washington again nominated Norman Thomas as their presidential candidate.

own State Ticket. The Social Democratic Federation, and the Union for Democratic Action, composed largely of former members of the Socialist Party, endorsed A. L. P. candidates in 1941 and 1942 and in the former year two S. D. F. members were elected to the City Council on the A. L. P. ticket.

In a number of cities the Socialists have in various years elected mayoralty candidates as in Reading, Pa., Bridgeport, Conn., and Milwaukee, Wis. These Socialist administrations have enjoyed a reputation for honest and efficient government. In Milwaukee Mayor Hoan was continuously re-elected for over twenty years.

The Communists

The Communists in the 1937 elections endorsed many of the A. L. P. candidates. This was a complete reversal of American Communist tactics prior to 1935 where the party endorsed no candidates but its own. In 1936 the Third Internationale, at its Moscow meeting, decided on a new party line of collaboration wherever possible with liberal and democratic forces in labor, civic and political movements, and endorsed the idea of a farmer-labor party as a part of the "People's Front" program. This accounted for the American Communist Party's tactics up to November, 1939.

With the outbreak of the European war, the Russian-German pact, and the invasion of Finland, the American Labor Party denounced the Russian and totalitarian forms of government and sought to purge its ranks of Communist elements. The so-called "Left Wing" of the A. L. P. in New York County, in control of the county organization, followed the "party line" during the next two years and threatened, in the 1941 mayoralty elections, to endorse a "peace" candidate opposed to Mayor La Guardia. Before the campaign got under way, however, the forces of Hitler attacked the Soviet territory and the "Left Wing" swung again in support of Mayor La Guardia. But the Communist Party put up several candidates for Council, and

ected one of their number from Brooklyn. In the gubernatorial elections of 1942, the Communist Party nominated its own candidate for Governor, though supporting A. L. P. and Democratic candidates for Lieutenant Governor, Comptroller and Attorney General. The "Left Wing" of the A. L. P. supported Dean Alfange.

Farmer-Labor Party

Other significant developments in America are the Farmer-Labor Party of Minnesota, which for several years elected the Governor; and the Wisconsin Farmer-Labor Progressive Federation, which has worked for some years through the Progressive Party of that state, in 1938 elected twenty-two of their members on the Progressive ticket, and in 1942 elected a Governor. Both the Minnesota and Wisconsin groups have come out for the formation of a national party when the time is considered opportune.

Other Forces and Trends

Another organization, which for a number of years worked actively toward labor and farmer political action, was the American Commonwealth Federation. Joint conferences have also been held by Labor's Non-Partisan League and the Farmers Union. Such a conference held in Chicago in 1938 declared that these groups must also "organize their political strength so that national and state governments may be used in democratizing industry" and drew up a suggested legislative program. However, the Board of Directors of the Farmers Union at a later meeting refused to ratify this action as premature, but cordially endorsed holding further conferences to promote "better understanding between organized labor and organized agriculture." The effect of such conversations on possible independent political action is as yet uncertain.

The voting strength of the distinctly radical political parties has assumed very small proportions in America. They are still at work on the national field but the combined votes of the presidential candidates of all minority parties, including Socialist, Communist, Union Party (Lemke), Prohibitionist, and Socialist-Labor, together represented only from 2 to 3 per cent of the total vote in the United States in 1936, while the minority parties secured less than one per cent of the vote in 1940. The fears in certain quarters of "Red" influence in America seem to be without much foundation at the polls.⁶

In support of the general effect of minority parties on progressive social legislation, Charles A. Beard, one of the country's foremost political scientists, states in *American Party Battle*⁷ that: "As far as the great body of social legislation enacted during the last thirty years is concerned, it must be confessed that it sprang from movements of opinion quite outside the range of political orthodoxy, that is, from the agitation of minorities winning concessions from the major parties."

It would, of course, be difficult to predict what future course American labor and farmers may take with reference to political action. We have endeavored merely to state very briefly the present situation.⁸

⁶ The Presidential votes of the minor parties in 1936 were as follows: Union Party (Lemke), 882,479; Socialist (Thomas), 187,720; Communist (Browder), 80, 159; Prohibitionist (Colvin), 37,847; Socialist-Labor (Aiken), 12,277; total 1,200,482 against a total vote of all parties 45,646,817. In 1940, this vote was as follows: Socialist (Thomas), 99,557; Prohibitionist (Babson), 57,812; Communist (Browder), 46,251; Socialist-Labor (Aiken), 14,861; other, 48,610; a total of 267,090 against a total vote of all parties of 49,815,312.

⁷ *American Party Battle*, by Charles A. Beard. New York, Macmillan Co., 1928.

⁸ It remains to be seen just what may eventuate from the recent apparent change in the "party line" in declarations of Communist Party leaders favoring the "two-party system" and "free enterprise" in America, and the possible transformation of the American Communist Party into a "political education association."

XII

THE NATIONAL LABOR RELATIONS ACT

A thorough understanding of the background, nature and practices of labor unions would, we believe, eliminate much of the criticism of the National Labor Relations Act which is designed to guarantee to labor the right to organize. Whether or not the reader agrees with this opinion, it is hoped that he will not read this chapter as a separate unit without giving consideration to the preceding chapters as essential background for any serious consideration of the National Labor Relations Act.

A variety of criticisms and suggestions for amendment of the National Labor Relations Act have been made. No doubt still others will develop. We cannot discuss in detail all such suggestions or the complex problems involved. We shall, however, present and attempt to interpret certain basic facts which we believe the reader will desire to take into consideration in any evaluation he may finally make of the Act and its operation.

The National Labor Relations Act, passed by Congress in July, 1935, and upheld by the Supreme Court in April, 1937, has as its single purpose the protection of the right of labor to organize and bargain collectively. It is not intended to deal with evils or wrongs which may be committed by labor, including coercion, violence, intimidation and racketeering, laws and remedies for which we have already discussed. It is no more fair to call the National Labor Relations Law "one-sided" than to designate as "one-sided" many generally accepted laws such as the law against stealing. A thief is not exonerated for his offense if he proves that his victim is a lawbreaker of some

other variety. Many laws like the National Labor Relations Law have a single purpose. The total fabric of all laws taken together should guarantee justice for all. The National Labor Relations Act is intended solely to establish as law labor's right to organization. This right had been endorsed by civic organizations, churches of all faiths, and by the platforms of all political groups, including the Republican and Democratic parties, for many years previous to the enactment of the law.

In practice, however, the right of labor to organize had been denied by employers in many industries. The writer has gone directly from church assemblies where the right of labor as well as employers to organize was solemnly endorsed, and witnessed the spectacle of the families of workers evicted from their homes and living in tents in the snow. Their breadwinners had been discharged from their jobs for no other reason than that they had attempted to put into practice the principles of collective bargaining so generally endorsed in theory by the church and the public.

Until the passage of the National Labor Relations Act, the government—federal, state, and local—had limited its legal sanctions and guarantees in industrial disputes merely to the protection of property rights and of the right of nonstrikers and strikebreakers to work. Troops were often called out for these purposes. But when employers violated the right of workers to join unions and demand collective bargaining, and discharged and discriminated against those who asserted these rights, government offered no redress. The sole purpose of the National Labor Relations Law is to assure to workers legal sanctions in the protection of rights of collective bargaining.

In thus legalizing the rights of workers, long endorsed in theory by Republican as well as Democratic parties, and public bodies, the National Labor Relations Law would seem to be in the interest of public welfare and industrial peace. For it gives the workers assurance that the government of their country is no longer concerned solely with the protection of

property rights but stands also for the protection of the rights of the masses, and for equal justice worthy of the name. Nothing could be a more effective safeguard than this against the violent revolutionary tactics which proletarian workers tend to adopt when and if they feel that government itself does not fairly protect their rights.

The National Labor Relations Act says:

“It is hereby declared to be the policy of the United States to eliminate the causes of certain substantial obstructions to the free flow of commerce and to mitigate and eliminate these obstructions when they have occurred by encouraging the practice and procedure of collective bargaining and by protecting the exercise by workers of full freedom of association, self-organization, and designation of representatives of their own choosing, for the purpose of negotiating the terms and conditions of their employment or other mutual aid or protection.”

The second paragraph of Section I also calls attention to the fact that lack of unions causes low wages with lack of purchasing power for the masses, thus tending to aggravate recurrent business depressions.

To administer the law, there was set up a nonpartisan quasi-judicial board of three members appointed by the President with the approval of the Senate.

Section 7 of the Act declares that employees have the right to organize and to bargain collectively through representatives of their own choosing.

Implementing the collective bargaining guarantee, employers are prohibited from infringing on the right of self-organization by indulging in specific unfair labor practices.

The prohibited practices are: “1. To interfere with, restrain or coerce employees in the exercise of the rights guaranteed in Section 7. 2. To dominate or interfere with the formation or administration of any labor organization or contribute finan-

cial or other support to it. 3. By discrimination in regard to hire and tenure of employment or any term or condition of employment, to encourage or discourage membership in any labor organization. 4. To discharge or otherwise discriminate against an employee because he has filed charges or given testimony under the Act. 5. To refuse to bargain collectively with the duly chosen representatives of employees."

The Act provides that representation of employees may be determined by election or by certification of a union upon proof that a majority of employees are members. However, the Board ruled in July, 1939 (in the Cudahy, Armour and Vanadium cases), that hereafter it will call for a secret election, rather than accepting as evidence union membership cards and applications (unless such evidence is not questioned by the employer). These rulings eliminated a major source of previous criticism of the Board's procedures.

Representatives selected or designated by a majority of employees in a unit appropriate for collective bargaining are given the exclusive representation of the employees in such unit. Responsibility for mediation and conciliation in industrial disputes where no violation of the Act is involved does not rest with the Board but remains in the hands of the Department of Labor. In many states separate conciliation services or mediation boards have been set up to assist in harmonious adjustments between employers and existing unions. Reference has already been made in Chapter IV (page 47) to very important provisions for conciliation boards in certain cities which have been very successful in reducing strikes and lockouts to a minimum.

Major Issues

There are a number of major phases of the Act and the Board's administration, around which criticism and debate have revolved: (1) the provision for "majority vote" with "sole representation" for all employees accorded to whatever union

wins the majority support of the employees; (2) dispute over the power of the Board to determine the appropriate unit of representation; (3) the fairness of the Board and its decisions; and (4) the question whether the law should allow employers themselves to call for elections in their plants.

An additional criticism of the Act and the legal status and procedures of the Board is sometimes heard in the allegation that the Board "acts as both prosecutor, judge and jury." A similar charge, however, would apply equally to the structure and procedures established by law for the Federal Trade Commission, the Interstate Commerce Commission and other federal administrative agencies which have developed during a period of fifty years under Republican and Democratic administrations alike.¹

Majority Rule

It hardly seems necessary in America to defend the democratic principle of majority vote to determine public issues. This principle is incorporated in the National Labor Relations Act. But the stipulation that a union, after winning a majority of employees, shall become the "sole representative" of all employees in relations with the management seems to have aroused apprehension. This provision, however, merely follows the pattern of our political democracy. When a majority of workers elects a certain union to be its "sole representative," the situation is identical to that in which a majority of citizens elects a congressman. When elected, the congressman becomes the "sole representative" of the entire district or political unit. He represents both those who voted for him and those who voted against him, the minority retaining only the right of petition and protest. This same right of petition for minorities and presentation of grievances is also provided for in the Na-

¹ Chief Justice Hughes held that the procedural provisions of these administrative tribunals afford ample opportunity to secure judicial protection against arbitrary action.—See article "The N. L. R. B. On the Carpet" by Louis Stark, in *Current History*, February, 1940.

tional Labor Relations Law. Section 9(a) states that in addition to the majority rule "any individual or group of employees shall have the right at any time to present grievances to their employer."

The same situation is true in international relations. When a candidate has been elected President of the United States he becomes the "sole representative" of the whole nation. Foreign countries do not insist on negotiating also with defeated presidential candidates as representing minorities. It may also be pointed out that owners apply the same principle of majority control in their own business organizations. The board of directors and the officials of a corporation, after election by those who hold a majority of the stock, become the "sole representative" of all stockholders in the conduct of the business, including relationships with labor. The situation in a corporation is even less democratic than in our political life or in labor unions since a vote is attached to each share of stock so that a single individual or a small group may control the affairs of thousands of stockholders.

"Appropriate Units"

The Act gives the National Labor Relations Board the power to "decide in each case whether, in order to insure to employees the full benefit of their right of self-organization and to collective bargaining, and otherwise to effectuate the policies of this Act, the unit appropriate for the purposes of collective bargaining shall be the employer unit, craft unit, plant unit or subdivisions thereof."

In view of the changing character of industry, tending toward more and more mass production, and in view of the conflict in the labor union movement between craft and industrial unions, it is difficult to see what other provision could be made except to give this power to the Board.

Much criticism has been levelled at the Board, principally

by the A. F. of L., but also by the C. I. O., because its decisions of "appropriate units" for representation of workers in particular cases have been displeasing to their particular interests. Some sections of the press have capitalized the criticism of the Board by labor organizations, usually failing to point out the exact nature and reasons for such criticism which are to be found in the internal conflict in the labor movement.

The Board has an extremely difficult rôle in deciding "appropriate units" for representation. Louis Stark, expert Labor Reporter of *The New York Times*, has well said:²

"In this dilemma the Board studies the factors motivating organization and the forms most conducive to effective collective bargaining. It decided to apply these considerations to the designation of the proper collective bargaining unit:

'1. The history of labor relations in the industry and between a particular employer and his employees as relates to collective bargaining units.

'2. The community of interest or lack of such interest among employees in the matter of qualifications for work, experience, duties, wages, hours and other working conditions.

'3. The organization of the business of the employer from a functional, physical and geographical viewpoint.

'4. The form which efforts at self-organization among the employees has taken, including the prerequisites for membership in the projected or established labor organization or organizations.'

He further pointed out that:

"Naturally the board was condemned for its decisions by both labor organizations for it could not satisfy the A. F. of L. and the C. I. O. in every case. The board adopted no

² See *Social Action*, August 15, 1938.

general rule and each case *stood on its own facts*. But when the decision was adverse to either labor organization that one condemned the board as 'biased' and 'lacking impartiality.' "

Another criticism, particularly by the A. F. of L., has been that the Board set aside union contracts with employers. The Board points out that it takes such action only when it believes that evidence shows that such contracts were entered into by employers with a union without evidence that the union represented a majority or where there was evidence that the union actually represented only a minority, or when an employer has assisted a particular union to sign up workers, which is a violation of the law.

In view of the fact that the law stipulates that nothing contained therein shall be "construed so as to interfere with, or impede or diminish in any way, the right to strike," it seems unjustified to refer to the law as certain disgruntled labor leaders have done as "an instrument of labor bondage." Rather the public should recognize the fact that the source and reason of such labor union criticism of the law are to be found in the present craft-industrial union conflict in America. When that conflict is resolved, criticism of the National Labor Relations Law and of the Board from labor sources will probably disappear.

Fairness of the Board—Is It Prejudiced against Employers?

Criticism is often heard that the Board is prejudiced against employers in general and usually rules against them. It is true that the Board has decided adversely to employers in most cases *after complaints were formally entertained*. The press in general has played up such decisions without explaining that complaints by employees and unions *are not formally heard by*

the Board until after they have been thoroughly investigated by its regional offices and after those complaints without substantial merit have been dismissed, withdrawn by the unions, or disposed of by voluntary agreements between employers and unions.

It is a striking fact that up to June 30, 1942, *only 14.18 per cent of the 45,994 cases handled by the Board involved public hearings and formal action*, and not all of these were decided in favor of unions. It is not surprising that most of the cases which finally come to the Board at Washington are decided in favor of the complainants since, in general, only the most flagrant violations of the law finally come to the Board for formal decision. Others are disposed of by the regional board offices.

Up to June 30, 1942, *41.59 per cent of all cases were either dismissed by the Board or withdrawn by the unions* after the Board had become convinced that these complaints were unfounded. *48.93 per cent were disposed of by voluntary agreements between employers and employees*. The remaining *9.48 per cent of the cases closed were disposed of by other means* such as compliance and certification of collective bargaining representatives.

The Board's election machinery procedure has been used in 10,164 cases in which 3,021,816 employees have voted by secret ballot on whether or not they wished to join any union and, if so, which one. All this presents an impressive contribution to orderly, peaceful adjustment of industrial discontent which otherwise would have found expression in strikes or in repression of workers' rights of organization.³

It appears that with the rapidly expanding work of the

³ It is most illuminating to read the brief case descriptions of actual union complaints, employers' replies, grounds for decisions by Regional Directors and other dispositions of cases in *Unions of Their Own Choosing* by Robert R. R. Brooks, Yale University Press, New Haven, 1939.

See also *Death of a Yale Man*, by Malcolm Ross, Farrar & Rinehart, New York, 1939.

Board, and the difficulty of securing for its increasing field staff a sufficient number of men of ability and experience in this highly specialized field, mistakes may have been made, and unreasonable attitudes taken by some of the Board's agents in certain situations; nor do we presume to pass on the justice of all the Board's decisions. But this does not alter the general picture of fairness and usefulness of the Board as shown in its reports and in its court record.⁴

The Record in the Courts

After opposition and attack and litigation, perhaps unprecedented in the history of any other government agency, it is interesting to note the record of the Act and its administration in the courts. The Supreme Court has upheld the Board in 34 cases brought before it. Only in 2 cases did the Court deny the enforcement of a Board order.

Circuit courts of appeal have upheld the Board in 290 cases and have refused to enforce its orders in 57. The Board won all of the 103 injunction suits which were brought to prevent it from holding hearings.

Should Employers Have the Right to Petition for Elections?

Many believe that employers as well as employees should be allowed, under the law, to petition the Board to hold elections to ascertain whether their workers wish to join a union or not. This point needs careful consideration. For it should be recognized that if an employer could demand an election at a time and under circumstances he might choose, it would be possible for him often to forestall the beginnings of labor union senti-

⁴ National Labor Relations Board statistics quoted above and on following pages supplied by the National Labor Relations Board, October 20 and 27, 1942.

ment before his workers had an opportunity to consider the matter. Even in factories where spies are not used to keep down union sentiment among the workers, there is still a potent influence emanating from the management by which workers may be made to feel disapproval (if no worse penalty) of joining a union.

When unorganized employees remark that "we don't want a union here," further light may often be secured on their reasons by asking them the question: "Do you think the owners would want to have a union here?" Frequently, in investigations conducted by the writer, their replies to this question have been emphatically negative, and it was clear that their own attitude was decidedly influenced by their employers' attitude. In reply to a further question: "Do you think the workers here would like a union if the employer would be glad to have one?" their replies were often decidedly affirmative. An unorganized worker is so deeply conscious that his job—his ability to supply food and shelter for his family—depends solely upon the good will of his employer that he will, almost without exception, say to his employer what he believes his employer wants him to say, and certainly refrain from open disagreement with him. As a result, many employers honestly believe their employees do not want a union when their unspoken desire may be quite the opposite. An employer said indignantly that his employees did not want a union, that he had always given them the best conditions, that "the whole trouble was with a few agitators." A few days later a government election was held in his plant in which about 80 per cent of his employees voted to join a union and only 6 per cent voted in the space provided to indicate that they preferred no union.

One Happy Family?

When an employer tells me that in his plant "we are all one happy family," I cannot help wondering if all the children are

as happy as Papa. He may honestly believe that they are but he may not know. A mill owner in the South once told me that when a committee of his workers, who were not organized, repeatedly complained to him about conditions, he had replied in the above vein and finally bet the committee \$50 apiece that they could not pull a strike among his loyal employees. Feeling that their attempts at peaceful settlement were hopeless, the committee went outside and blew a whistle and the factory walked out. "I was never so surprised in my life," said the owner.

The only fair test of whether or not workers want a union is to be sure that they have first-hand opportunity to study and consider the matter freely for themselves, and then to allow a government-conducted election to be held. The results of the 4,212 government-conducted elections, during July, 1941-June, 1942, where employees had the opportunity to express their wishes by secret ballot, are significant. In 77 per cent of these elections and pay-roll checks established labor unions were chosen by the employees. In only 23 per cent of these elections did workers choose either independent unions or no unions at all. The keen interest of the workers is evidenced by the fact that 82.3 per cent of the approximately 1,296,567 employees eligible to vote actually cast their ballots. Such participation also reflects the approval by the workers of the democratic device of the secret ballot.

If the statistics quoted in this chapter have come as a surprise to the average reader, some explanation may be found in the treatment accorded to the Board by many newspapers. An interesting article on The Press and the National Labor Relations Board by Mary Bartlett⁵ indicates the strikingly disproportionate amount of space given by newspapers to court decisions and news unfavorable to the Board as against the meager mention of favorable decisions and news.

⁵ *The Nation*, January 14, 1939.

Petitions by Employers

The law seems unfair to many employers who have had long-standing friendly relations with their employees, in that these employers are not free to advise their own workers in any way, even against joining unions which they believe are dishonest and unfair. There is undoubted hardship at this point but it is difficult to see how the law could be so amended as to obviate it without at the same time opening the doors to undue employer influence over the free choice of his employees in the matter. With adequate safeguards, such as set up in the New York State Labor Relations Law, employers might safely be granted a more general right to petition for elections, although in New York employers have made relatively little use of this provision. In June, 1939, the National Labor Relations Board announced that it would hereafter permit employers to petition for elections to determine collective bargaining representatives for employees, when the employer is caught in a struggle between two bona fide unions such as the A. F. of L. and the C. I. O. which have not petitioned for an election. Up to June 30, 1942, the Board reports that employers availed themselves of the opportunity to file petitions to the extent of only 1.8 per cent of all the petitions filed.

There are, of course, many other questions of administrative policy and procedure which it has not been possible to discuss in detail and much less to pass judgment upon. We have endeavored only to state and interpret the basic purpose of the Act and the major results of its administration.

Diminishing Need of Board's Action

Since the National Labor Relations Board has the sole duty of administering the Act and since the Act is intended for the sole purpose of guaranteeing to labor the right of collective bargaining, it seems safe to predict that as employers in this

country more generally concede this right, the work of the Board will correspondingly decrease as a factor in American labor relations. Assurance of status to labor unions will leave the way open for the more generally co-operative relations between employers and organized labor which obtains in Great Britain, and which already characterizes large areas of American industry which we have previously described.

Causes of Unrest

It will be well, however, for the public to bear in mind that underlying industrial unrest will continue as long as other basic causes remain. These are to be found in low wages, unjust and unbrotherly distribution of wealth and income, the insecurity of the wage system, unemployment, slums and poor living conditions, race discrimination, and miserable conditions in commercial agriculture among the share-croppers and migratory workers. So long as dire poverty exists side by side with wealth, industrial unrest will continue. The report of the National Resources Committee shows that the average family income of $33\frac{1}{3}$ per cent of the nation was only \$471 in 1935-6. On the other end of the scale family incomes averaged from \$10,000 a year up to the millions, but less than one per cent of the population enjoyed such privileges.⁶

Even during a war economy when wages are high in some industries, it is sobering to note the report of L. Metcalf Walling, Administrator of the Department of Labor's wage, hour and public contract's division, that 7,500,000 American workers still receive 40 cents an hour or less and are "right on the edge of the minimum standards of health and decency or below it." He pointed out that "1,500,000 wage earners in that group, covered under the Wage and Hour Law, were receiving be-

⁶ *Consumer Incomes in the United States; their Distribution in 1935-36*, Superintendent of Documents, Government Printing Office, Washington, D. C., 1938. 30 cents.

tween 30 and 40 cents and that some of the others, in agriculture, retail trade, domestic service, fisheries and other types of work not covered by that law, were getting 15 cents an hour or less.

"Even for those of the 7,500,000 who are getting up to 40 cents an hour, or \$16 at the most for a forty-hour week, it must be remembered that the rise in prices has leveled the purchasing power of their 40 cents down toward that of the 30 cents set as a minimum standard of decency when the act was passed in 1938.

"In addition, even in these wartimes there are still employers who illegally withhold from their workers even the modest minimums required by law. Since Pearl Harbor about \$16,250,000 in restitution has been agreed to or ordered paid to 415,000 workers in 22,000 establishments throughout the country. It must be remembered that this underpayment of covered workers is discouraged, not only by the criminal provisions of the act, but by the double penalty which workers can collect. In most States workers not covered by the federal law have no such protection."⁷

Should Wage and Hour Law Be Repealed?

The public mind has been much confused by statements in some sections of the press, by some politicians and certain employers calling for repeal of the federal wage and hour law, and pointing to the "restrictions" on the number of hours a week that "can be worked." There is no such issue (with the exception of some state laws setting maximum hours for women and minors, often fifty-four hours).

The real issue is whether industry and the public are willing to pay time and a half for hours worked over forty a week. Under the federal wage and hour act a person who receives \$16 a week for forty hours (at 40 cents an hour) receives (with

⁷ See *The New York Times*, September 7, 1942.

time and a half) only \$20.80 a week for forty-eight hours. Those who are obliged to live on that amount and especially to support a family on it, find it difficult to understand the outcry that "labor is being coddled." They are tempted rather to wonder whether the public isn't being addled.

Only an economic society based on justice and resulting in abundance for all, which is now possible in our machine age, will remove the major causes of unrest. There is only one way to make the masses of our people reasonably conservative—and that is by giving them something to conserve.

XIII

INTERNATIONAL LABOR RELATIONSHIPS

With constant pressure from organized labor for improved wages and working conditions, the question naturally arises whether increased costs of manufacture in any one country will not put it at a disadvantage in competing with countries where lower labor standards prevail. Higher wages do not necessarily result in correspondingly higher costs since relative efficiency of labor and degrees of mechanization in industry may make possible higher wages without a proportionate increase of costs. Nevertheless, this is a serious problem particularly for the United States, where labor conditions are relatively high compared to many countries.

The I. L. O.

Happily, an international agency exists which is specifically designed to cope with the problem of elevating labor standards throughout the world so as to establish fair competition between the nations. It is known as the International Labor Organization. The I. L. O. is *not*, as its name would seem to imply, an international agency of organized labor unions. Rather it is an official conference of *governments*, which had a membership of sixty nations of the world.¹

Far-reaching changes due to the war in Europe have of course vitally altered the status and work of the I. L. O. which

¹ Even before the war, Italy on December 15, 1937, and Japan on November 3, 1938, announced their intention of withdrawing—effective two years later.

has temporarily moved its headquarters from Geneva to Montreal, Canada, and is carrying forward its work with a greatly reduced staff. However, this topic is of great historic significance and, we trust, of equally great prophetic significance of the wide extension of basic I. L. O. procedures in the world to come.

The I. L. O. conducts extensive research, collects and publishes data and statistics on working conditions throughout the world covering the degree and causes of unemployment, child labor, wages, hours, safety, health, workmen's compensation for accidents, organized labor relations, consumer co-operation, and other labor conditions and problems.

An annual conference is held by the I. L. O. at which each member government is entitled to four delegates, two representing government, one representing workers (commonly a representative of organized labor), and one representing employers (commonly a representative of organized employers). The delegates are accompanied by technical advisers. At this annual conference specific subjects are debated, such as underground work of women in mines, social security provisions for unemployment and old age, minimum age of children leaving school for employment, the forty-hour week, safety, and scores of other matters. After thorough discussion "draft conventions," favoring specific legislation by the nations, are adopted. No nation is obligated by the action of the International Labor Conference to adopt its "draft conventions," but each member nation pledges itself to bring up those proposals in its own national legislature and report back. Thus coercion by the I. L. O. is avoided, but at the same time its draft conventions get attention in each nation and world public opinion is developed with its moral influence toward raising standards. Some 839 (as of March 1, 1939) ratifications of draft conventions by various nations have now been recorded. This indicates the very significant effect of the I. L. O. on the elevation of labor standards throughout the world and proves its potential effec-

tiveness as a substitute for tariff wars, migration, and a degree of regulation of unfair economic competition.

United States and the I. L. O.

The I. L. O. is an autonomous body operating under its own constitutional charter. Historically, however, it was created as a permanent official agency after World War I and its charter was first incorporated into Part XIII of the Versailles Treaty of Peace. Its purpose was set forth in the solemn declaration of the nations that "universal peace can be established only if it is based on social justice."

Americans were prominent in the inception of the I. L. O. Samuel Gompers, then President of the American Federation of Labor, was Chairman of the Commission on International Labor Legislation of the Peace Conference from which the idea of the I. L. O. evolved. Prof. James T. Shotwell with his prophetic vision was an influential American delegate. In spite of this fact, the United States did not join the I. L. O. until 1934. It is a tragic commentary that the nonco-operation by the United States in other previous attempts toward processes of world government to insure a just and lasting peace was even more pronounced as illustrated by our continued refusal to join the League of Nations or the World Court.

It was not until we had been members of the I. L. O. for four years that the United States ratified five draft conventions with reference to safety and working conditions at sea, giving them the effect of law in the United States and of international treaties with other member nations of the I. L. O. which adopt them. The standards set up by this legislation, with the exception of the provision for annual vacations with pay, were already equalled or excelled by American law or practice.

John G. Winant, now Ambassador to Great Britain, was later elected Director of the I. L. O. The participation of many able government and employer delegates from America and

the election to the Governing Board of the I. L. O. of Robert J. Watt, an outstanding liberal in the American Federation of Labor, has now assured an active and helpful part in the work of the I. L. O. on the part of the United States.

"The American Resolutions"

At the meeting of the annual conference of the I. L. O. held in New York City in November, 1941, on the initiative of the delegates from the United States, a resolution was adopted calling upon the government members of the I. L. O. to establish at once agencies to study postwar reconstruction, and requesting the Governing Body of the I. L. O. to establish a tripartite (representatives of governments, employers, and labor) committee on the same subject. This resolution is so revealing of the subject matter dealt with and the approach of the I. L. O., and so suggestive not only of its usefulness but of the need of other international economic agencies in some form of world government to assure international justice and preserve world peace, that we quote it here in full:

"WHEREAS the victory of the free peoples in the war against totalitarian aggression is an indispensable condition of the attainment of the ideals of the *International Labor Organization*; and

"WHEREAS the close of the war must be followed by immediate action, previously planned and arranged, for the feeding of peoples in need, for the reconstruction of the devastated countries, for the provision and transportation of raw materials and capital equipment necessary for the restoration of economic activity, for the reopening of trade outlets, for the resettlement of workers and their families under circumstances in which they can work in freedom and security and hope, for the changing over of industry to the needs of peace, for the maintenance of employment, and for the raising of standards of living throughout the world; and

"WHEREAS the accomplishment of these purposes will require the 'fullest collaboration between all nations in the economic field'; and

"WHEREAS such collaboration will set tasks of organization and administration calling for the highest ability and for the most sympathetic understanding of the needs of peoples; and

"WHEREAS the *International Labor Organization*, which possesses the confidence of the free peoples and includes in its structure the representatives of workers and employers, is for these reasons peculiarly fitted to take part in this work in such a way as to minimize misunderstanding and unrest and to promote a stable and enduring peace:

"THE CONFERENCE of the *International Labor Organization*

"Requests the Governing Body:

"(a) to transmit this resolution forthwith to the Governments of all Member States, to call their attention to the desirability of associating the *International Labor Organization* with the planning and application of measures of reconstruction, and to ask that the *International Labor Organization* be represented in any Peace or Reconstruction Conference following the war;

"(b) to suggest to the Governments of the Member States that they should, if they have not already done so, set up representative agencies for the study of the social and economic needs of the post-war world² and that such agencies should consult with the appropriate organs of the *International Labor Organization*;

"(c) to set up from its own membership a small tripartite committee, instructed to study and prepare (I) measures of reconstruction and (II) emergency measures to deal with unemployment, which should be empowered to enlist the assistance of technically qualified experts and authorized to co-operate with governmental, intergovernmental and private agencies engaged in similar studies and with those agencies whose present activities in the social and economic field affect the conditions under which post-war programs will be carried out;

"(d) to make full use of such existing organs of the *International Labor Organization* as the International Public Works Committee, the Permanent Agricultural Committee, the Permanent Committee on Migration for Settlement, and the Joint Maritime Commission, and from time to time to make such

² A bill, H. J. Res. 36, introduced by Congressman Voorhis of California, is now before the House.

modifications in the composition of these agencies, and to set up such new agencies, as may be needed to meet the responsibilities implied in this resolution;

“(e) to direct the program of work of the *International Labor Office* to fulfill the purposes of this resolution; and

“(f) to report on the subject matter of this resolution to the next and subsequent meetings of the *International Labor Conference* so that the *International Labor Organization* shall be in a position to give authoritative expression to the social objectives confided to it, in the rebuilding of a peaceful world upon the basis of improved ‘labor standards, economic advancement and social security.’”

International Labor Union Contacts

In addition to government co-operation through the I. L. O. toward standardizing world labor conditions, there is, of course, the pressure of the labor union movements in many countries. Some of them such as the British exercise a wider influence in their own countries than the American labor movement has so far attained. Friendly contacts are maintained by both the A. F. of L. and the C. I. O. with labor movements in various other lands including Latin-America. There are also a number of international federations of trade unions which meet at stated or occasional times to confer and advise with each other for the improvement of the status of labor throughout the world. The American Federation of Labor is a member of the International Federation of Trade Unions which now has its headquarters in London after many years in Amsterdam.

XIV

LABOR AND WORLD PEACE

How socially minded is organized labor? What are its attitudes and practices with reference to broad social problems? We have already indicated in the chapter on Labor As Citizens that organized labor has been one of the major forces making toward social progress through legislation as well as in the economic field. We also described briefly the attitudes of American labor toward political action. In the chapters dealing with International Labor Relations, Negroes, Women and Trade Unions, Democratic Ownership, and Workers' Education, other tests of the degree of social-mindedness of labor are discussed.¹ In this chapter we shall review briefly labor's attitude toward world peace.

It may seem irrelevant in view of the present war and labor's large part in its prosecution to discuss the subject of labor and world peace at all. Yet a review of labor's attitudes on the subject is not only of historical importance but will serve to throw into sharp relief the necessity of emphasis by labor and all of us upon more searching analyses of the causes of war and

¹ An incidental test of any social movement which should also be considered is the salary scale of its officials. In general the salaries of union organizers and officials are moderate while their hours are long—often seven-day weeks—and their work arduous and exacting in the extreme. It must be said, however, that the salaries of a few top officials of certain international unions in both the A.F. of L. and the C.I.O., even taking into consideration the heavy responsibility of these officers, are out proportion to the wages of union members whom they serve. Such high union salaries (ranging from \$12,000 to \$30,000 a year) though few in number, reflect too much the commercial standards of American profit business in general, measuring what is considered individual importance and success in dollars and cents. It should be noted also that a few churches and social agencies are open to similar criticism.

upon the final necessity of *world government* as indispensable for the maintenance of a just and durable peace.

Labor's Attitudes

Over a period of many years past, and "before Hitler," certain labor unions in industries such as the metal trades, directly affected by manufacture of arms and war supplies, have often advocated large military expenditures apparently in the hope of creating more jobs and higher wages for themselves. Other unions, however, successfully opposed the advocacy by labor of what they considered excessive army and navy expenditures in normal times.

On the question of armament, the labor movement has, to be sure, always advocated "an adequate national defense," but at the same time, it has consistently advocated that "national armaments be reduced by international agreement to the lowest point consistent with domestic safety."

There were times during the last decade when the ever-increasing armament budget created in labor circles the fear that the government might be embarking on an experiment in "armament economics" as a cure for depression—that is, creating employment by absorbing men in munitions manufacturing and in the army and navy. This was the road followed by Nazi Germany and other dictatorships. On the subject of economic expansion to create jobs, the A.F. of L. warned that as a general policy "planning for increased production should be directed toward the goal of higher living standards for all and not toward undue or unnecessary production for military purposes; that jobs shall be created in industries producing goods needed by the people rather than munitions, except those needed for national defense."

John L. Lewis, President of the C.I.O., in an exclusive interview with Eleanor Patterson, publisher and editor of the *Washington Times-Herald*, in December, 1937, expressed his

deep concern over the rush for war preparations. "Are we perhaps headed into another war?" he asked. "If enough people in high places adopt the war psychology, eventually they can get the rest of the country thinking that way. This is something which very much concerns me," he added, "because if there is war, it is labor which has to do most of the dying."

The Congress of Industrial Organizations, at its convention in Pittsburgh (1938), held that "full employment of all workers is the best natural national defense." It demanded that money for "necessary defense" be over and above the full appropriations needed for the social services.

Against War Dictatorship

During the period between wars, proposals for dictatorship in any future wartime found all of labor united in opposition to their passage. The McSwain bill of 1935, the Hill-Sheppard bill of 1936, and the Sheppard-May bill of 1937—the enabling legislation for the War Department's plan for industrial mobilization of this country in wartime—met with the wholehearted resistance of the American Federation of Labor, the Congress of Industrial Organizations, the Railroad Brotherhoods, and other labor groups not affiliated with any one of these federations. Even Union Labor Posts of the American Legion actively opposed this "draft of labor" legislation despite the support given to it by their parent organization. It is generally conceded that it was largely labor's unified opposition that caused the McSwain bill to be completely emasculated by amendments and the later bills to remain in the Military Affairs Committee of the House. Labor has been conscious of the possibility of our own government assuming totalitarian power in wartime, and of abandoning the practices of democracy in our very efforts to defend and preserve them.

The March of Time
1939 Resolutions

Following the outbreak of war in Europe, both the American Federation of Labor and the Congress of Industrial Organizations, at their annual conventions in October, 1939, took a strong and unanimous position against the entry of the United States into the war. We quote as follows from these official resolutions.

The C. I. O. declared: "Europe has again been plunged into the horrors of war which may mark the end of freedom and may destroy civilization on that continent. . . . Labor's answer to the tragic war in Europe must be the preservation of peace in the Western Hemisphere, the protection of our democratic institutions, and the extension of the social and economic gains achieved during the past six years. . . . Labor wants no war or any part of it, and while countries in Europe are engaged in their barbaric orgies of conquest and aggression as they have been doing for centuries, it must ever be the purpose of the United States to remain out of these wars. . . . The C. I. O. offers its support to President Roosevelt's neutrality policy based upon the cardinal principle of keeping America out of war and calls for further legislation to take the profits out of war business by rigorous taxation of excess profits and surplus incomes."

The A. F. of L. declared: "We are unalterably opposed to our own nation becoming involved in European conflict. We favor the exercise of neighborly and mediatorial influence by our government in all efforts to promote peace and to compose differences between nations. But, in doing this, we insist that our government shall pursue a judicious policy, exercising care and caution and a firm determination to avoid involvement in European conflicts or in European wars. . . .

"There remains fresh in our memories the reasons which

led our country to participate in the World War. We were convinced that our participation would make the world safe for democracy. Since that war we have been painfully disillusioned, for the European world at least was seemingly made safe for dictatorships. It was these totalitarian states arising from conditions following the signing of the Versailles Treaty which gave to dictators, with their ruthless destruction of democratic institutions, their opportunity."

1940—1941—1942

Following the march of events and the developments of the war, the 1940 and 1941 conventions of both the American Federation of Labor and the Congress of Industrial Organizations adopted strong resolutions condemning Hitlerism, supporting the foreign policies of President Roosevelt, including matériel aid to Britain, the lend-lease program, and the armament defense program of the United States.² Since December 7, 1941, the attack by Japan and the declarations of war, all wings of the labor union movement including A.F. of L., C.I.O., Railroad Brotherhoods, and unaffiliated unions have thrown themselves vigorously into the all-out war effort for victory over the Axis powers.

Enormous funds were raised by the A.F. of L. and C.I.O. War Relief Committees. Over 40 million dollars was contributed through such union cooperation to Community and War Chest drives in 1942, and increasing amounts in 1943. An interesting by-product of the union activity for community and war relief has been the inclusion on the boards of directors of Community Chests, Red Cross and social agencies of union representatives. Such integration of labor in community organization is a hopeful and healthy development which augurs well for increasing understanding and unity in American life.

² See footnote on page 66 for indication of numbers, in labor unions, of conscientious objectors to all war.

Labor and World Peace

Observing the trend of events in international relations and the deeper underlying causes of modern war, it now seems clear that there must be a new test of organized labor and other civic or religious groups as well as all of us as individuals with reference to intelligent concern over the bringing in of lasting world peace. All previous efforts toward world peace, such as treaties, reduction of armaments, peace pacts, neutrality laws, reciprocal trade agreements, have failed. It would appear that they will continue to fail *until there is established some form of world government*. To a world government the nations of the world must eventually yield certain basic rights of national sovereignty just as the constituent states do to the federal government of the United States. Allowing for all the other multiple causes and cures of war, including economic, cultural and religious factors, still it can be said truly that *world government and world peace are one and the same thing*. P. E. Corbett, in his book, *Post War Worlds*, gives a concise analysis of principles of world government, reasons for failure of the League of Nations, and necessary steps in assuring effective world government, including preliminary steps and possible regional federations of nations.³

I recently visited a place in the old "gold rush" country in California which in the early days was called "Hangtown." In those chaotic times each man was for himself, retaining his complete personal sovereignty, recognizing no superior authority. There was no law and order—no government. Today the State of California has established, by consent of all citizens, a government with courts of justice and a police force to enforce law and order when necessary. At this moment the

³ See *Post War Worlds*, by P. E. Corbett, New York, Farrar and Rinehart, 1942.

entire world is in the chaotic state in which "Hangtown" found itself nearly a hundred years ago. We, too, must assure law and order by means of establishing world government. Imperialism, the rule of any "race," any empire, any nation, or any group of nations over others must go. We must have a world congress with democratically chosen representatives of all the nations and peoples of the earth. We must have under world government, world institutions for currency and exchange, world control of tariffs, immigration, access to raw materials for all, and an international police for the keeping of international law and order.⁴

Labor's Stake in Democratic World Government

Only under democracy, or government by consent of the governed, has labor been able to achieve real progress toward enjoyment of the four freedoms.

The history of human civilization reveals the gradual advance of the idea of government by consent from small groups, the family, the tribe; and from limited geographical areas to larger groups and wider geographical areas embracing an entire nation.

The present war and all international problems and relations, political, economic, cultural and racial, have become global and world-wide in their scope.

Surely the time has come for labor to think in terms of world-wide democracy, or world government by consent of all

⁴ The most recent statements of American and British labor on peace objectives and a new world order are quoted at some length on page 231. American churches and educational institutions are active in this all important field of thought and research. Literature is available from the Commission on the Study of the Bases of a Just and Durable Peace, 297 Fourth Avenue, New York, N. Y.; the National Catholic Welfare Conference, 1312 Massachusetts Avenue, N. W., Washington, D. C.; the Commission on Justice and Peace of the Central Conference of American Rabbis, 5003 Washington Avenue, St. Louis, Mo.; the Commission to Study the Organization of Peace, 8 West 40th Street, New York, N. Y.; and many other sources.

peoples as the only hope of expanding freedom for the workers of the world and for a just and lasting world peace.

Labor must study the issues which will be involved in world government, such as equal access to natural resources, economic co-operation, equality of treatment of all races, international control of tariffs, immigration, international police, world court, and delegation of the necessary sovereignty to a world government. The workers of the world who suffer most when civil or economic freedoms are denied must now direct their hopes, their thought and their devotion to a struggle for *world government of, by and for all the peoples of the earth*. For this is to be the thrilling consummation of history, the extension of the American dream of democracy and peace to the entire world.

XV

NEGROES AND LABOR UNIONS

Discrimination in some labor unions against minority groups, and particularly against Negroes, reflects in varying degree the social attitudes and prejudices unfortunately common to American life. Other civic organizations, the public in general, and even the churches are hardly in a position to throw stones. In fact, many unions are far in advance of most groups in granting equality of status to Negroes and other minority groups.

The American Federation of Labor has for many years officially declared against race discrimination in union membership. While some improvement has been registered in recent years, between fifteen and twenty¹ A.F. of L. unions still bar Negroes from membership in their constitutions or by means of ritualistic devices. There is often the further problem of discrimination in actual employment opportunities even when Negroes are union members, or refusal by a local union to admit Negroes even when its International has no discrimination policy. Sometimes an appeal to International officers is effective in adjusting such local injustices.

¹ See address by Mr. A. Philip Randolph, President of the Brotherhood of Sleeping Car Porters, at the convention of the A. F. of L., 1942 (*Proceedings* pages 574-80), for graphic analysis of the problem and types of discrimination practiced by specific unions. While Mr. Randolph's estimate of the number of International A.F. of L. unions barring Negroes as "between fifteen and twenty" indicates an improvement since the 1936 figures of twenty-four, the violation of basic principles of democracy by certain unions which he describes is shocking. The discussion of Mr. Randolph's address by Mr. Daniel J. Tobin, President of the Teamsters Union (*Proceedings* pages 646-8), is also revealing. See also *New Trade Union Movements and the Negro Worker*, by Lester B. Granger, Bulletin 18, Workers' Bureau, National Urban League, New York, September 23, 1937.

The A. F. of L. takes the position that since its constituent members, the international unions, are autonomous, it has no power to force them to comply with its general position against discrimination. It has not felt justified in the drastic step of suspension of its member unions on this ground. The Railroad Brotherhoods also are notorious for their denial of membership to Negroes.²

Industrial Disfranchisement

A particularly serious injustice occurs in the cases of such railroad and other unions which, under the laws, are granted sole bargaining rights because they have a majority, but which deny membership to Negro workers. Under such circumstances the Negro suffers industrial disfranchisement. He cannot join the union if he wants to. Yet the union assumes to represent him in bargaining with the employer. The case is still worse when a union which does not admit Negroes secures a closed shop agreement with an employer which automatically denies the opportunity of Negroes to work in the establishment at all. Amendments to the Railway Labor Act and the National Labor Relations Act would seem to be in order, stipulating that no union shall be qualified to act as sole bargaining agent which excludes anyone from membership on grounds of race, color, or creed.

Industrial Unions

In general, the industrial unions (including those now affiliated with the C. I. O. and the industrial unions still remaining in the A. F. of L.) have admitted Negroes to membership. An outstanding example of interracial policy is to be found in the history of the United Mine Workers. It experienced a delay of many years in its efforts, finally successful, to organize Southern coal mines partly because it insisted on admitting Negroes to

² *The Negro and Economic Reconstruction*, by T. Arnold Hill, Washington, D. C., The Associates in Negro Folk Education, 1937.

membership. Such sacrificial adherence to principle may well serve as an example to civic and religious bodies as well.

A bulletin of the National Urban League made the following comment:

"Industrial Unionism is newer, better adapted to present-day industrial conditions, and its leadership is generally better educated in labor economics. Labor leaders in the mining, garment-making and textile industries recognize the impossibility of unionizing their fields unless all workers are taken in without regard to racial or religious prejudices. For this reason, we find great international unions like the International Ladies Garment Workers (now A. F. of L.) the United Mine Workers (now independent) and the Amalgamated Clothing Workers (C. I. O.) not only accepting Negroes as members but also carrying on educational programs within their ranks to eliminate feelings against the Negro brothers and sisters after their acceptance. . . . Within their combined ranks are enrolled over 100,000 Negro members, many of whom occupy union positions of importance. Mixed memberships in miners' locals elect Negroes as chairmen; the I. L. G. W. U. employs a Negro as general organizer; one of the largest dressmakers' unions, Local No. 22 of New York, recently elected a Negro woman as business agent for its 30,000 members."³

T. Arnold Hill, Director of the Department of Industrial Relations, National Urban League, and a careful student of labor relations, declares in his book, *The Negro and Economic Reconstruction*:

"The one bright star in an otherwise dark union firmament, is the democratic policy of the Committee for Industrial Organization. In the unions of workers in the manufacture

³ *The Workers' Council Bulletin* No. 18, National Urban League, Workers' Bureau, Lester Granger, Secretary, 1133 Broadway, New York. 1937.

of steel, automobiles and garments, Negro membership is large. They are also members of the unions for electrical, transport, laundry and food workers. In the professional unions such as those for clerks, social workers, and newspaper employees, Negroes are also to be found. The C. I. O. is unique among existing American labor movements, not only in its philosophy, but in its policy of equality for all workers, Negro as well as white."

1942

The 1942 Convention of the American Federation of Labor rejected a resolution to set up a special committee to investigate the matter of race discrimination in its constituent unions and conduct systematic education on the subject, but went on record reaffirming its general stand against discrimination, because of race, color, religion or national origin, and its belief "that the most effective way of eliminating race discrimination is the education of the trade union movement and of the public."

The C. I. O. has a special committee appointed by President Murray for the purpose of waging a vigorous campaign against all race discrimination in American industry. James B. Carey, Secretary of the C. I. O., and Willard S. Townsend, President of the United Transport Service Employees (a Negro member of the C. I. O. Executive Board) said on appointment to the Committee: "It is the intention of this committee to make a thorough investigation of race relations among the workers of this country, and of the employment practices of industry in general. We know that passing resolutions in conventions is not enough." The activities of the Committee were strongly supported on the floor of the C. I. O. (1942) convention and forceful resolutions were adopted calling for still further action. (See Proceedings, pages 43-54.)

All-Negro Unions

Notable achievements have been made by some all-Negro unions, particularly the Brotherhood of Sleeping Car Porters and Maids, headed by the able and brilliant leader, Mr. A. Philip Randolph. This union is affiliated with the A. F. of L. and enjoyed its support in its successful effort to obtain a contract with The Pullman Company, greatly improving wages and working conditions. The United Transport Service Employees of America (Red Caps), organized in 1937 (now affiliated with the C. I. O.), and other efforts to organize Negro unions are meeting with some success. Workers' Councils of Negroes, organized by the National Urban League in various cities where union discrimination has been serious, are having results. The following report from St. Louis illustrates the effectiveness of this method:

"After many years of hard and persistent effort, Negro painters in St. Louis were granted a charter by the Brotherhood of Painters, Decorators and Paperhangers of America (A. F. of L.) This victory is all the more far-reaching due to the absolute unwillingness of organized building labor in St. Louis to grant union privileges to Negroes in any field except common labor. The Workers' Council and the Urban League of St. Louis are to be commended for their splendid work.

"Final culmination of the Workers' Council program in St. Louis was achieved recently when sixteen labor groups, some with union charters and others newly organized, dissolved the St. Louis Workers' Council with which they were formerly affiliated and organized the Negro Trade Union League."⁴

⁴ *Workers' Council Bulletin No. 19*, National Urban League, December 1, 1937.

Wartime Employment of Negroes

During the war emergency the problem of discrimination in employment became so serious that after several other efforts by Negroes and their friends failed, the March-on-Washington-Movement, which under the leadership of Mr. A. Philip Randolph aimed to make mass demonstrations, when necessary, voiced a petition from the Negro people that the President issue an executive order forbidding such discrimination in all war industries and government employment. Following this, President Roosevelt issued executive order No. 8802. This order provided for a Fair Employment Practice Committee, on which the A. F. of L., the C. I. O., and the public have representatives. The committee has held public hearings and investigated federal, state, municipal agencies and private industries. Partly as a result of this, and with assistance of church and citizens' committees in some areas, employment of Negro workers has greatly increased.⁵ For example, the 1943 "Information for Speakers" leaflet issued by the Race Relations Department of the Federal Council of the Churches of Christ in America, reports that "Whereas a year ago only a handful of skilled Negroes were employed in the aircraft industry, today thousands are being used. Many progressive labor unions, particularly C. I. O. unions, have aided this process. However, despite these gains, racial discrimination in employment continues in alarming proportions. A recent survey of prospective jobs in areas where Negro labor is plentiful revealed that 51 per cent of the openings, as a matter of policy, were barred to Negroes. A similar pattern holds true in the important matter of pre-employment training. In eighteen Southern states where Negroes

⁵ See *Information Service*, Research and Education Department, Federal Council of Churches, for January 15, 1944, for summary of situation to date. Bills have now been introduced to establish a permanent F. E. P. C.

are 22 per cent of the total population, as late as January 1942, they composed only 4 per cent of the trainees for war industries. Obviously, if there is to be wise use of manpower—and the need is becoming more acute daily—discrimination in pre-job training, employment, upgrading and union membership must be eliminated.”⁶

The Fair Employment Practice Committee in a notable instance has also happily extended its efforts to combat intolerance against religious conscientious objectors by ordering a company and labor unions alike, to arrange for the reinstatement in employment of members of a religious sect holding conscientious objection to war, and refusing to participate in a flag-raising ceremony. The Chairman of the Committee declared: “Our government guarantees equality of rights and opportunity without regard to a person’s creed. This is an integral part of our democratic way of life, one of our nation’s proudest possessions for whose preservation we are fighting this war. This heritage shall not be lightly forfeited at the irresponsible behest of intolerant and misguided persons who seek to impose their will by threats and violence.”⁷

The Part of the Public

Perhaps the greatest contribution which the public can make to eliminate race discrimination and other intolerance from the labor movement is to help eliminate them in public life in general, and also to remove the economic causes of unemployment which creates pressures toward lower wages and competition for jobs. In such situations Negroes have been notoriously exploited by many employers who hire them at low wages. This, in turn, has brought upon the Negro the resentment of white workers and union members.

⁶ See “Color: Unfinished Business of Democracy,” *Survey Graphic*, November 12, 1942. 112 E. 19th St., New York, for comprehensive account of war-time status of Negroes.

⁷ *The New York Times*, November 29, 1942.

The solution of this problem will depend upon the degree in which the churches and the public help to eliminate race discrimination in community life; the degree in which all labor unions come to realize that they must include Negroes as members, even for the protection of their own wage scales; the degree in which Negro workers become increasingly educated to demand union membership, the degree to which economic causes of friction are removed, and the degree to which American citizens increase their faith in democracy and put its principles into practice.

XVI

WOMEN AND TRADE UNIONS

The problems, policies and procedures of trade unions composed wholly or in part of women workers are practically identical with those of the general labor union movement discussed in other chapters. A few distinctive characteristics and problems, however, should be mentioned.

It is sometimes said that women are harder to organize than men. Certainly a contributing factor in the difficulty of organizing women workers is the fact that many unmarried girls, living at home with their parents, even though they may contribute toward their own or another's expenses, are not faced with full responsibility for their own support, and are comparatively content with enough money to go to the movies and buy their own clothes. Employers may take advantage of this fact, and pay substandard wages. As a result, women workers who do have to live on their wages suffer because of the depressing effect on general wage scales of these live-at-homes.

No doubt there is also a general psychological attitude, especially among younger women workers, that their employment is a temporary matter. They expect, sooner or later, to get married and quit their jobs. This expectation tends to make women workers feel less interested in organization for better conditions. However, their indifference tends to disappear when they learn the fact that *over 46 per cent of the ten and three-quarter million women employed in American industry in 1939 were either married, widowed, or divorced*. The fact is that whether single or married, women workers do have a personal stake in improving conditions in industry through unionization.

A release of the Woman's Bureau, Department of Labor, August 16, 1939, stated that in the United States 25 per cent of all women sixteen years of age and over were gainful workers. Based on a detailed study of three representative cities the Bureau points out the following significant facts: "The dependence of large families on help from their women members is indicated by the study, which shows that the proportion of families that had a woman worker increased directly with the size of the family. Of all families reported, 1 in every 3 or 4 had an employed woman member; but 2 in 5 of the families of 5 persons, and approximately 3 in 5 of the families of 9 or more persons, included a working woman.

"While the burden of support for dependents fell heaviest on the widowed and divorced women, in many cases women, especially the Negro women, were the sole support of families of considerable size, and these families very often included small children. In a number of cases single women supported dependent parents and at times, small children.

"One third of the 58,000 women whose records were studied combined the job of breadwinner with the many tasks and responsibilities of a home maker."

Of course the war situation and the influx of women workers has enormously accentuated the rôle of women both married and single in industry.

Even for those married women whose husbands are still employed in industry, there is still a vital interest in the labor movement. For labor unions among men workers have proved one of the most effective safeguards of wage scales which enable a man to support a family. In spite of these facts a relatively small number of women belong to labor unions.¹

¹ Dr. Theresa Wolfson, author of *Women Workers and the Trade Unions*, International Publishers, 1926, estimated in 1929 a total of approximately 260,000. Dr. Leo Wolman, in his *Ebb and Flow in Trade Unionism*, National Bureau of Economic Research, 1936, believed that it might be 360,000 (see p. 74).

Miss Elizabeth Christman, Secretary-Treasurer of the National Women's

Marriage Psychology and Other Causes

There are, however, more potent causes than "marriage psychology" for the relatively low per cent of women in the unions. It seems likely, in the first place, that the labor union movement, generally directed by men, has paid inadequate attention to organizing women workers and that an insufficient number of women organizers have been used in the attempt.

The traditional emphasis in union organization by the A. F. of L. has been among the skilled crafts and trades. Since the great mass of women are employed in the so-called semi-skilled or unskilled jobs, this meant that they were largely overlooked. With the wave of industrial unionism under the C. I. O., taking in both skilled and unskilled workers, the picture is definitely changing. Moreover, as has been indicated elsewhere, some old craft unions of the A. F. of L. are now broadening the base of their membership. I was a bit startled a few years ago to meet a young girl in Oregon who said she was a member of the Carpenters' Union which had recently taken in all workers in a saw mill, including the office force. These new trends, together with war employment of women, have already resulted in a larger membership of women in unions and may be expected further to increase it. To be sure, women may still have to fight for their rights, particularly in some of the older craft unions, some of which in the past have either excluded women from membership by their constitutions, or, in practice, have denied them the protection of "equal pay for equal work." With a growing sense of democracy in trade unions, there will come also larger opportunity for women to play their part.

Trade Union League in 1939, estimated the number of women belonging to unions (both A. F. of L. and C. I. O.) as more than half a million, and in 1943 as about three million. All figures in this chapter are no doubt subject to change as women join the ranks of industrial workers in wartime.

Occupations Hard to Organize

The largest numbers of women members of trade unions are found in the garment trades and in the textile industry. Perhaps the major cause of the relatively small percentage of total unionization among women workers lies in the fact that so many women are employed in industries which by their nature are extremely difficult to organize. For instance, according to the 1930 census, 29 per cent of gainfully employed women were employed in domestic and personal service. This is a field where unionization, in spite of very low standards in many places, has made little headway among either men or women. The unstandardized nature of domestic jobs, the wide distribution of workers in individual homes, the difficulty of domestic workers meeting together in numbers, because of the irregularity of hours and lack of natural meeting places, and the high labor turnover or rapid changes, all make organization extremely difficult. Significant efforts have been made by the Y. W. C. A. to educate employers and domestic workers on the problems involved in domestic work. The Public Affairs program of the Y. W. C. A. includes: "Giving aid and encouragement to the industrial, white collar and household workers in the Y. W. C. A. constituency, who are making efforts to help build a vigorous and responsible labor movement. Promoting voluntary agreements between household employees and employers which conform to the standards suggested by the National Committee on Household Employment, inasmuch as household workers are still in their first stages of organization."

In spite of the difficulties involved, a few unions are active in domestic work, including the Domestic Workers' Union, a local of the Building Service Employees International Union. Recent contracts on the part of the hotel workers unions have for the first time included chambermaids, scrubwomen and others.

Next to domestic service, the largest per cent (18.5 per cent)

of employed women work in clerical occupations. While unions have made considerable headway in this field, it is again one of the more difficult occupations for unionization among men as well as among women workers.

It should be pointed out that women's organizations have made a contribution in the field of workers' education quite out of proportion to their numbers. The National Women's Trade Union League, an organization composed of women trade unionists and "allied members" (liberal women sympathetic with the labor movement) and endorsed by the American Federation of Labor, has done much in workers' education as well as in helping to organize women workers. The American Labor Education Service is an independent organization which not only acts as a clearinghouse for summer schools but operates an educational service to help local unions with their regular educational programs among both men and women members.

Any description of the part played by women in the trade union movement, however brief, would be incomplete without recording the vivid impression one gets in the field of the strength and inspiration which they have contributed to the entire labor movement. The amazing capacity for sacrifice and endurance of extreme privation and hunger for themselves and their children on the part of many wives of strikers, the help of women's auxiliaries of men's unions, and the gay courage and enthusiasm of young women union members through thick and thin have undergirded labor's struggle "for bread and roses" in ways which no statistics can reveal.

XVII

WORKERS' EDUCATION

Systematic workers' education by American labor unions has not yet developed as a general practice to the extent to which it is urgently needed. Great masses of union members remain to be reached by the kind of education which will promote intelligent rank and file participation in union deliberations, create self-imposed discipline and a sense of responsibility, and develop leaders.

With the recent growth in labor union membership, the need of more extensive workers' education programs has greatly increased. The enormous size of many locals of the industrial union type has created a serious additional problem of democratic participation in union affairs. In steel, electrical manufacturing, automobile and other mass production industries a *local* often has a membership of ten to twenty thousand workers or even more.

It is obvious that there is often no hall large enough for a single assembly of all members, to say nothing of the impossibility of thorough democratic discussion of issues in such a large assembly. Even the meetings of "shop chairmen" of such unions which are very well attended often run into several hundred persons. Attempts are made to meet the problem of membership meetings by calling plant or section meetings of members. Except where fines are imposed for nonattendance, however, the proportion of total union members attending the regular business meetings of these enormous unions is small.

The situation calls for further efforts on the part of unions to devise smaller units for meetings, and a particularly heavy

responsibility rests upon union Education Departments to increase the number and effectiveness of study and discussion units to insure democratic discussion of policy within the labor movement itself.

Workers' Education in America

The Workers Education Bureau was organized in 1921 as a fraternal affiliate of the American Federation of Labor. It publishes texts and literature, conducts radio broadcasts, holds labor institutes, and stimulates unions to set up their own educational programs. In 1939 the Congress of Industrial Organizations set up a standing Committee on Education.¹

A few of the larger unions have fully developed education departments with extensive programs. The outstanding example is the International Ladies Garment Workers Union which with its locals spends about \$200,000 a year in promotion of recreation and education. Classes cover labor history, economics, public speaking and parliamentary law, union practice, production, time-study, labor publicity, labor and the arts, and labor drama. The play *Pins and Needles* first developed in these classes and had a phenomenal run on the public stage, touring all parts of the country. A remarkable exhibit of art by members of this union was recently shown in New York City for the benefit of United China Relief. The exhibit included genre paintings with the shops and scenes of the garment center as a central theme. It is important to note that this union requires prospective candidates for union office to pass examinations after taking a special "officers qualification course" in union practice and administration, arbitration procedures, business management and other subjects.

Educational programs on a smaller scale but covering many

¹ Write for information to Workers Education Bureau, 1440 Broadway, New York, and Congress of Industrial Organizations, 718 Jackson Place, N. W., Washington, D. C.

of the subjects listed above are carried on by other unions. Open forums are conducted. Special speakers and lectures are given part of the time at regular union business meetings. Forums, discussion groups, or special speakers on international relations and postwar world government have been arranged by some unions. The National Council for the Prevention of War, through its Labor Secretary, Warren Mullin, who was previously a labor union official, has done widely effective work in this field.

The Amalgamated Clothing Workers has a wide program of "cultural activities," including music, motion pictures, and a correspondence school. Educational and recreational programs among union members help to break down barriers of language, race, creed, and national backgrounds and to develop better citizens.

The Steel Workers Organizing Committee (now United Steelworkers) has held significant institutes for the training of union leaders which have proved so excellent that management representatives of some steel corporations have, on their own request, joined some of these classes in the study of how to conduct constructive daily relations between unions and employers. This organization conducted a summer camp for leadership training in 1939 with a total attendance of a thousand workers. In the Pittsburgh area the Federated Labor Schools have conducted in the past few years forums, lectures, and discussion classes for many unions.²

Many unions devote sections of their regular weekly or monthly papers to educational news. The Auto Workers print an educational magazine called *The Distributor*, and *Labor and Culture* is the title of the magazine published by the Amalgamated Clothing Workers.

² Write United Steelworkers of America, 1500 Commonwealth Building, Pittsburgh, Pa., for descriptive literature.

Labor Education Services and Schools

The American Labor Education Service (formerly Affiliated Schools for Workers) is an organization which has acted as a clearinghouse for summer schools for workers on the campus of Bryn Mawr College (now the Hudson Shore Labor School, West Park, N. Y.), at the University of Wisconsin, and at various points in the South. It now gives technical and advisory assistance to a variety of workers' groups throughout the country. These include union and local labor colleges and other workers' groups, resident schools, government projects, youth groups, libraries and many types of community organizations. Labor Education Service stimulates educational work, publishes outlines and other study material, assists workers' classes in planning their curricula. Conferences, both national and sectional, are arranged; a teachers' registry is maintained; discussion groups are initiated. Labor Education Service also has many contacts with foreign workers' education movements, and encourages the exchange of worker-students between the United States and other countries.³ The Southern School for Workers has carried on a unique piece of labor education in the South during the last thirteen years. It has now increased its work to include not only a six weeks' summer course for men and women, agricultural as well as factory workers, but also a winter program of conferences, classes and local educational services to unions.

Classes were conducted in many parts of the country by the Workers' Education Project (the Workers' Service Program, WPA Professional and Service Projects) of the Work Projects Administration.

The Young Women's Christian Association, throughout the country, carries on an effective workers' education program for industrial and business women. In addition, it has earned deep

* Send for literature to American Labor Education Service, Eleanor G. Coit, Director, 437 W. 59th Street, New York, N. Y.

appreciation from the labor movement by making its building facilities available at nominal cost to labor unions for their own educational and recreational classes.

Much could be learned by the labor union educational movement from the consumers' co-operative movement which has developed particularly interesting techniques in democratizing educational methods.⁴

The Brookwood Labor College at Katonah, New York, an independent residential school for intensive training of leaders, was closed because of lack of finance, after a number of years of useful service. Commonwealth College in Arkansas was also discontinued. Highlander Folk School at Monteagle, Tenn., is still carrying on. Labor schools with political slants in New York City include the Rand School (Social-Democratic Federation), the Debs School (Socialist), the Workers' School (Communist), and the New Workers' School (Independent Labor Political League—"Lovestonite").⁵

Labor Fellows at Harvard

In England the universities have played a larger part in offering special facilities in workers' education than has thus far been the case in America. It is therefore encouraging that in addition to summer schools at certain colleges, notably at the University of Wisconsin, Harvard in 1942 accepted fourteen special Labor Fellows for a nine months' course under the auspices of the Graduate School of Business Administration, the School of Public Administration and the Department of Economics. Included in the first group are members

⁴ See *Consumer Co-operation* September, 1942, Cooperative League of the U. S. A., 167 West 12th Street, New York, N. Y., 10 cents.

⁵ The reader is referred to *Workers' Education Today*, a forty-eight-page pamphlet by Mark Starr, the Educational Director of the International Ladies Garment Workers Union, League for Industrial Democracy, February, 1941, 15 cents; and to the recent volume, *Workers Education in the U. S.* (a symposium by leaders in American Workers' Education). See also *Workers Education*. By Ernest E. Schwarztrauber, Madison, Wisconsin, University of Wisconsin Press. 1942. 182 p.

of the railway clerks, ladies garment workers, textile workers, hatters, and electricians unions. Half of their expenses are paid by the University and half by their respective unions. Union representatives shared in planning the courses of study, and an advisory committee of national union officials is assisting in directing the course.

A Laboratory of Democracy

Not long ago I witnessed some rather moving incidents in the laboratory of democracy. It was in a mountain section of the South. For long years the cotton mill workers had been living under what at best could be called paternalism but was, in its essential aspects, a survival of the feudalism of the Middle Ages.

All their lives these American citizens had been accustomed to having major issues of importance to them decided and determined by the mill owners. They had accepted whatever wages the owners offered. They lived in company-owned houses, paid rents set by the company, and could obtain only such sanitary conveniences or repairs which the owners might decide upon; they attended a church built by the employer who also paid part of the minister's salary (conditions under which the pulpit gives forth an uncertain sound on social justice—or more likely no sound at all); their children went to schools erected by the company and sat under teachers whose ideas of "Americanism" and economics had to meet with the mill owner's views on the same subjects; if they got drunk or otherwise misbehaved, they were arrested by a company policeman, and tried by a local justice who, in his alter-ego as a mill foreman, was also on the pay roll of the company—a not untypical picture of "mill villages" whether in textiles, coal or other industries where "company towns" prevail and workers are still unorganized.

But a great change had come to pass in this American com-

munity. The mill hands had joined the union. For the first time in their lives, they had something to say about many matters which so largely determine the "life, liberty and pursuit of happiness" of the American citizen.

Under the leadership of the labor union organizer, a graduate of Brookwood Labor College, and with the assistance of the School for Southern Workers, a "Workers' Education Institute" was in progress. They had to begin at the beginning. I witnessed American citizens for the first time really learning the ways of democracy. A "practice meeting" was being held—the Chairman was learning how to preside; members were being trained in "making a motion" and in the orderly procedures of democratic discussion and parliamentary law. It was, at the same time, pathetic and thrilling.

After the meeting a young man said to me shyly, "The trouble with me is that when ah git up on the floor, mah head is full, but mah mouth is empty." To which I made the obvious reply, "You're lucky at that, brother. With most of us public speakers, it's the other way around."

I spoke at another mountain union meeting where a large percentage of the workers were illiterate, and a Workers' Education Week was being conducted. The workers, conscious of their own lack of education, faithful members of their churches, some of which were not on company property and enjoyed a degree of freedom, had been greatly perplexed over the bitter opposition to the union exhibited by leading citizens. "Tell us," one asked in the question period, "why is it that our ministers and town leaders are 'against labor'?" "Partly," I replied, "it's just plain ignorance about the labor movement." Whereupon the questioner remarked, "Oh, so there's other folks besides us in need of education!"

Aren't we all?

XVIII

THE CHURCH AND LABOR

Churches of all faiths have declared for over thirty years that labor has the right to organize and bargain collectively. One need not be surprised at this official stand taken by religious bodies. A religious principle is involved in the right of labor as well as employers to organize in unions or associations of their own choosing. For the principle of democracy—of the right of the common man to a voice in determining the conditions which mean so much to his life, liberty and pursuit of happiness—rests back on the teachings of Jesus and the prophets of the infinite value of every human personality as a child of God. This belief has helped to develop in the common man an infinite self-respect which is incompatible with any form of autocracy, political or industrial. In the words of the *Social Ideals of the Churches* "the churches should stand for the right of labor as well as employers to organize and bargain collectively; the protection of both in the exercise of this right; the obligation of both to work for the public good; encouragement of co-operatives and other organizations among farmers and other groups."¹

In this chapter we shall concern ourselves solely with some of the contacts which church groups may maintain with the labor movement for purposes of human understanding and

¹ Write for information on pronouncements by various church bodies on labor and economic problems to The Federal Council of the Churches of Christ in America, 297 Fourth Avenue, New York; The National Catholic Welfare Conference, 1312 Massachusetts Avenue, N. W., Washington, D. C.; The Central Conference of American Rabbis, 5003 Washington Ave., St. Louis, Mo., and the Rabbinical Assembly, Broadway and 123rd Street, New York.

constructive helpfulness. We shall take up in detail only a few of these suggestions but may first summarize methods which have been successfully used by various groups of church people, local churches and councils of churches. Such helpful church programs have included the appointment of fraternal delegates to central labor unions by ministers' associations and councils of churches; the observance of Labor Sunday; educational trips by church people to labor headquarters, to factories where labor union relations prevail and to consumers' co-operatives; attendance for observation and study at Regional Labor Relations Board hearings and conciliation and arbitration hearings; special conferences on labor problems; study courses; investigation of facts in strike situations; mediation; public statements; relief for families of strikers; help in social legislation; contacts with the unemployed; open forums; labor and employer speakers in churches and assistance in workers' education.²

Church Labor Programs

We shall confine our discussion here to a few suggestions, particularly with reference to services of church people to the workers' education movement. It happens that ministers and many laymen and laywomen are particularly well equipped to offer help in subjects specially in demand in workers' education, such as public speaking, parliamentary law, and publicity. These are among the subjects most needed by new unions learning to conduct their own meetings, discuss their problems in orderly and intelligent fashion, and issue effective publicity. These subjects, together with businesslike management of union affairs, are especially needed by the young men and women with capacity for future leadership in the labor move-

²For detailed case studies of the conduct and results of such programs see *Religion Lends a Hand*, by James Myers, New York, Harper & Brothers, 1929. *Churches in Social Action—Why and How* summarizes church social action methods. The Federal Council of the Churches of Christ in America, 297 Fourth Avenue, New York, 10 cents.

ment. Ministers and church members have volunteered in many places to teach such classes, in some cases also offering rooms in the church for a meeting place when no union hall was available. By encouraging union members to make their classroom trial speeches and sample publicity releases on working conditions and the problems of a wage earners' family, the instructor often obtains as much vital education from these classes as his or her pupils.

Ministers are usually welcome to address the regular monthly union meetings on a variety of matters with which they may be familiar, including social relations, psychology, and even travel talks. Such addresses are not only educational for the union members but very valuable as a first step in promoting acquaintance and friendliness between the Church and Labor. Labor speakers in turn should be invited to address church gatherings, their points of view and experience being equally educational to church people.

It is not difficult for a sympathetic minister or church member to acquire labor contacts. All that is usually needed is for him to call on the secretary or president at union headquarters and get acquainted with the simple introductory statement that he is a friend of labor, would like to know more about unions, and would be glad to be of any possible service along the lines suggested above. It may be well for a minister or church member merely to "listen in" as a friendly visitor at union meetings before he or she makes a contribution from the platform or in the classroom.

Informal Conferences

A very effective device for mutual acquaintance is a weekend party at which selected labor representatives, ministers and open-minded employers enjoy informal out-of-doors activities and gather around the fire for frank discussion and questions concerning one another's points of view. Such questions as "why a labor union is valued by a worker"; "what difficulties

do employers find in dealing with unions"; "what examples are there of helpful and harmonious employer-union relations"—bring out a world of information and helpful insights. Bernard G. Waring, a Quaker employer, describes such a house party as follows:

"I have participated in week-end retreats with groups made up of employers and labor union representatives where nonviolence, co-operation and reciprocal understanding have been considered at leisure. We found we were all brothers under the skin."

If a weekend cannot be arranged, worth-while results can be obtained by evening meetings, or a weekly or monthly luncheon.

Those invited to Informal Conferences, as a matter of fact, should not be confined to labor and employers.³ It is better that the group called together should include two or three representatives from each of the major economic and racial and religious elements in the community. Thus a typical "Informal Conference" may include representatives of the Chamber of Commerce or employers' group, the A. F. of L., C. I. O., and Railway Labor Brotherhoods, farmers from the near-by area, representatives of consumers (preferably of consumer co-operatives), Negroes (and other races); and church representatives, Catholic, Jewish, and Protestant, including pastors, youth, and women's representatives, and a social worker.

In issuing invitations it is highly important to make *very clear* a number of features of the Informal Conference which are different from other meetings. First, there will be no publicity whatever, either about the conference, or what is said. Members of these conferences agree not to quote what anyone may say. This understanding makes discussion much more

³ A leaflet entitled *Informal Conferences*, by James Myers, describes this technique in more detail. Federal Council of Churches, 297 Fourth Avenue, New York, 5 cents.

free and illuminating. Second, *no resolutions* of any kind will be adopted. No one as an individual and no organization will be committed to anything except the desire and opportunity to know and understand. Third, *no new organization* will be formed. Fourth, *no money* or contributions will be asked. Fifth, *no literature* will be distributed or sold. No one will try to "put over anything."

What Happens

While the indirect results of these conferences may be more far-reaching than can be imagined, mention will be made of some concrete immediate results which have occurred.

Perhaps the most striking incident resulted from an Informal Conference in an industrial city in the East when a Negro pastor described how practically impossible it was for a Negro to secure employment except in menial positions, no matter how capable, educated and well trained he might be. A sense of personal and community sin fell upon the group. Various aspects were discussed including attitudes of employers, unions, churches and the public. No resolutions were adopted, no action was taken. But a few days later one of the prominent employers who had been present telephoned the Negro pastor and asked him to recommend eight skilled colored workers, and they all got jobs and the high wages they were entitled to.

Equally healthy was the correction of a misunderstanding on the part of a prominent labor leader who alleged widespread unfair practice in hiring by a certain industry. Instead of prejudicial statements being spread throughout the city, the facts were made available and the misunderstanding cleared up. On the other hand, extreme opposition by certain employers to labor's rights to organize, and unfair newspaper reporting were described by labor men.

At an Informal Conference in a city in the Middle West one

of the subjects for discussion which emerged was "farmer-labor conflict and misunderstanding." A few days later a near-by farm organization telephoned the Council of Churches and asked them to recommend a labor union leader to speak at a farm meeting.

At another meeting labor leaders pointed out very frankly how remiss in social understanding and ineffective in action they felt most churches to be. Two ministers immediately invited the labor men to "come and tell it to our congregations."

Again, a minister was deeply horrified that certain proposed social legislation to safeguard the health of industrial workers had failed of passage, even though human life had been at stake. "I didn't know anything about it," said the minister.

On another occasion some labor men were astonished to hear an employer describe his worry each week over securing funds, often by borrowing at the bank, to meet the pay roll.

It is a moving experience to listen, as we have at several of these conferences, to representatives of farmers, labor, and employers, declare that while they have been fighting for what they consider their just rights, they are aware that their programs have not always sufficiently taken into account "the interests of the whole" and that selfish "groupism" must give way to social integration for the common good.

Friends or Enemies?

It is amazing what a difference merely getting acquainted makes. A friend of mine who had studied for the ministry in the Episcopal Church finally decided to go into the labor movement. In the course of his duties he tried to organize a factory in one of our Eastern cities. Later, after he had left the labor movement, he returned to the same city to deliver a lecture on labor problems before an audience of church people. At the close of his address a Christian employer rose and complimented him highly on the fairness and intelligence of his

remarks. The employer commented that "if all labor leaders were like you, we would have no difficulty in dealing with them," but went on to relate how a "radical, irresponsible, ignorant and un-American agitator" had some time before tried to organize his employees. To the employer's surprise my friend replied that, as a matter of fact, he himself was the very man thus described! One is reminded of the story of an Irishman who declared, "I saw a feller coming down the street. I thought I knew him and he looked as though he thought he knew me, but begorra when we got close to each other, it was nather of us." An incalculable amount of prejudice exists between employers, labor, farmers and racial groups merely because they do not really know each other. Charles Lamb once refused to meet in personal conference a man with whom he had had some differences. "If I really got to know him," Lamb said, "I'm afraid I might like him." Of course, I do not imply that all labor leaders are equally intelligent and fair-minded in all instances, any more than I would say that employers or members of other economic groups always exhibit these high qualities. But personal acquaintance between representatives of all groups would bring a surprising increase in understanding and mutual respect. There is no more appropriate or effective method for church groups to adopt than this mediatory service. It may even be accomplished still more simply by a minister arranging for certain individuals to meet each other.

Spiritual and Moral Counsel

Of course, character building will always remain a major function of the Church. Labor union leaders and members need, as much as do other groups, the spiritual ministry of religion for the development of individual character, courage, honesty, unselfishness, tolerance, fairness, faith, comfort.

It will be discovered also that in a labor union, as in a

church, a co-operative, or any other nonprofit organization, the profit motive is not the only possible divisive influence. The prestige motive and the power motive, because of which individuals or groups put their own desires for position or power ahead of the good of the cause, often destroys the harmony and efficiency of the group. Personal religion can help to eliminate pride and selfishness and to promote internal peace in unions as in other groups.

But some ministers and church people feel that their only function is to give moral advice without having first earned the right to do so. They should remember that "he only has the right to criticize who has the heart to help."

Instead of merely criticizing organized labor's sins, ministers generally should urge their church members who are wage earners to join unions even though conscious of their faults and then work from within union ranks for peaceful and constructive policies.

Unspotted by the World

Religious groups and individuals are often in danger of emphasizing lesser issues in morality while not condemning greater evils and injustices, and while failing to lend a helping hand in social reform. An awful warning in distorted moral judgment was the case of certain devout German Christians who in the early days approved of Adolf Hitler because he neither drank nor smoked. There is always danger, as Jesus pointed out, of straining out the gnat and swallowing the camel!

If religionists who wish to keep themselves "unspotted by the world" would become more courageously active in civic affairs and organizations, including labor unions, in political parties, and in movements toward world peace, there would be fewer "spots" of corruption in human society to contaminate them.

In Germany and other parts of Europe many years before the war, churches went to the opposite extreme and promoted actual "Catholic Trade Unions" and "Protestant Trade Unions" respectively. In America, both Catholics and Protestants generally have wisely avoided this policy of further splitting the labor movement. Rather, both seek to raise ethical standards of the regular labor unions by encouraging their church members to participate actively. In the last few years, a considerable number of associations of Catholic Trade Unionists and Catholic labor schools have been developed, the latter offering useful courses for Catholics in labor history and good union practice. Some Protestant churches are making surveys to determine the number of trade union members who belong to their churches and then calling these members into conference on ways in which conscientious trade unionists can help to strengthen the union movement from within. A number of Protestant churches with working class membership conduct workers' education classes or co-operate in "Labor Colleges." Outstanding examples are Grace Community Church, Denver, Colorado, and Labor Temple of New York City.

Ministers, laymen and laywomen who have first proved their own human understanding of labor's problems, and their own unselfish and courageous interest in the masses, will find themselves welcome and influential advisers of labor. Under such conditions religious leaders can assist in promoting high standards of fair dealing between employers and labor, and help to guide the labor movement in peaceful progress toward a co-operative commonwealth and a new world order in which the ideals of democracy and of religion will at last find their full expression in the wider brotherhood of man.

QUESTIONS FOR DISCUSSION

CHAPTER I

1. In what historic ways has labor gained in freedom?
2. What is labor's legal status today?
3. What rights for workers does democracy demand?
4. Why is industrial democracy important to working people?
5. Do labor unions give expression to democracy?

CHAPTER II

1. What are the principal types of unions?
2. Discuss company unions and independent unions.
3. What changes in production gave rise to industrial unions?
4. What per cent of workers were union members in 1935?
5. Why were mass production industries unorganized before 1935?

CHAPTER III

1. What led up to the A. F. of L.-C. I. O. split?
2. What is the total membership in American labor unions?
3. What is the status of communists in labor unions?
4. Describe leading personalities in labor union movement.
5. What large unions are unaffiliated?
6. What trends point toward labor peace?

CHAPTER IV

1. What are the usual points covered by a union contract?
2. What is the closed shop, the union shop, the preferential shop, maintenance of membership shop, the open shop?
3. What is the check-off? Is it widely used?
4. What machinery to settle grievances without strikes or lockouts is provided by union agreements?
5. What is the labor status of government employees?
6. Why are local or city mediation boards important?

CHAPTER V

1. What effects does a war economy have on the status of labor?
2. Have unions and employers agreed not to employ strikes or lockouts for the duration? What does the record show?
3. Upon what principles and practices will success depend in co-operation of labor and management for production?
4. Why is representation on government boards important?
5. What about democracy at home and the promotion of the four freedoms in the world?

CHAPTER VI

1. Is the public always an innocent victim in industrial disputes?
2. Are there more strikes where there are unions, or where there are no unions? Why?
3. What are the chief causes of strikes? At what periods in the business cycle do they occur most frequently?
4. Do union leaders want as many strikes as possible or do they seek to avoid strikes?
5. What are the chief causes of violence during strikes? Are any strikes conducted without violence by either side?
6. How can strikes be prevented?

CHAPTER VII

1. Do unions keep their agreements?
2. Would incorporation make them more or less responsible?
3. Why do responsible labor leaders oppose incorporation?
4. What is labor racketeering? What types of unions have been affected?
5. What are the principal remedies for racketeering?
6. What regulations have been proposed by the City Club?
7. How do certain unions indulge in monopolistic practices?

CHAPTER VIII

1. Why do newspapers carry chiefly stories of labor trouble?
2. What is union-management co-operation?
3. Give instances where unions have helped to increase efficiency and reduce costs in factories.

4. What systematic plans have been tried to bring these results?
5. Would the security of an annual income—"52 pay checks per year"—affect the morale and efficiency of workers? Would it help stop a depression?

CHAPTER IX

1. Are labor and capital partners?
2. What are the principles of partnership?
3. State the essentials for a profit-sharing plan?
4. What effect does profit-sharing have on the attitudes and efficiency of workers?

CHAPTER X

1. Is wide ownership of industry and farms a test of democracy? What forms of more democratic ownership are possible? Discuss each.
2. What good are higher wages to working people if prices go up faster than wages?
3. What economic system has actually helped to reduce prices, raise wages and abolish unemployment in Sweden and Finland? Did organized labor help? In what other countries has labor played a major part in the co-operative movement?
4. What are the basic principles of consumers' co-operation? In what way does it constitute economic democracy?
5. What are the relations between consumers' co-operatives, labor and farmers? What is the union label?
6. Why is economic and industrial as well as political democracy important?

CHAPTER XI

1. Has the trade union movement concerned itself with anything except bargaining for wages and hours?
2. In what ways have unions influenced political life?
3. What social legislation for the benefit of the public and all workers has organized labor helped to secure?
4. What is the policy of Labor on independent political action? What position has Labor in other countries taken?
5. What parties represent independent political action in America—in what geographical areas are they strong? What per cent of the total presidential vote in 1936 was polled by radical and minority parties? In 1940?

CHAPTER XII

1. What is the purpose of the National Labor Relations Act?
2. What are the principal "unfair labor practices" prohibited?
3. Discuss provision for "majority vote" in choice of a union.
4. Why has the Board run into difficulty in determining "the appropriate unit for representation"?
5. Has the Board been fair in its decisions? What per cent of complaints were dismissed by the Board, withdrawn by the unions, disposed of by voluntary agreements? What have been the results of elections?
6. Do you think the law should be amended?
7. What are the major causes of industrial unrest?

CHAPTER XIII

1. What is the International Labor Organization? How many national governments are members?
2. What does the I. L. O. do? What kinds of delegates does each nation send to the annual conference?
3. What are "draft conventions"? Are they binding on member nations? How many have been adopted?
4. Is the I. L. O. "a department of the League of Nations"? What connections has the United States had with the I. L. O. (a) in its beginning, (b) at the present time?
5. Where are the present headquarters offices of the I. L. O.?
6. Is the United States a member of the I. L. O.? Did we ever join the League of Nations or the World Court?
7. Do labor unions as such have any international affiliations?

CHAPTER XIV

1. What are the tests of "social mindedness" of labor itself?
2. What position has organized labor taken toward international peace? What unions are especially tempted to advocate heavy armament expenditures and why?
3. What position has organized labor as a whole taken on "armament economics" and war dictatorship—the defeat of the Axis?
4. What is the final test of peace-mindedness, and the eventual assurance of just and lasting peace?

CHAPTER XV

1. Would you say that organized labor is better or worse than civic or religious organizations in race discrimination?
2. What is the official position of the A. F. of L.?
3. What forms does race discrimination take in unions?
4. What is the general practice of industrial unions?
5. What all-Negro unions have been successful?
6. What effect is wartime employment having on the rights of Negro workers? What is Executive Order 8802?
7. How can the public help to eliminate race discrimination?

CHAPTER XVI

1. Are women harder to organize than men?
2. Why do many women consider their employment temporary?
3. What per cent of employed women are either married, widowed or divorced?
4. What reasons have retarded organization of women workers?
5. What contributions have women made to the labor movement?
6. What is the effect of the war on employment of women?

CHAPTER XVII

1. Why is workers' education needed?
2. Describe programs of workers' education agencies.
3. Describe outstanding workers' education programs by international unions such as the International Ladies Garment Workers Union and others. What courses are given?
4. What other agencies conduct workers' education programs?

CHAPTER XVIII

1. State religious principle in right of labor to organize.
2. Give a list of methods by which many churches have developed contacts with the labor movement.
3. How can ministers help in workers' education classes?
4. How can church groups or ministers bring about personal friendly acquaintance between labor leaders and employers?

5. Would it make any difference in the actual life of your union, your factory, your church, your co-operative, and in the relations between labor and employers if every one was unselfish, fair, tolerant and really believed in the brotherhood of man?

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AGENCIES DEALING WITH LABOR AND ECONOMICS

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The Federal Council of the Churches of Christ in America, 297 Fourth Avenue, New York, N. Y.

(Many individual denominations have official social service departments or voluntary leagues. Information will be sent by the Federal Council of Churches on request.)

The National Catholic Welfare Conference, 1312 Massachusetts Avenue, N. W., Washington, D. C. Also, Catholic Conference on Industrial Problems.

Central Conference of American Rabbis, Commission on Justice and Peace, 5003 Washington Avenue, St. Louis, Mo.

Rabbinical Assembly of America, Social Justice Committee, 3080 Broadway, New York, N. Y.

American Association for Labor Legislation, 131 East 23rd Street, New York, N. Y.

American Association for Social Security, 22 East 17th Street, New York, N. Y.

American Civil Liberties Union, 170 Fifth Ave., New York, N. Y.

American Country Life Association, 297 Fourth Avenue, New York, N. Y.

American Farm Bureau Federation, 58 East Washington Street, Chicago, Ill.

American Federation of Labor, A. F. of L. Building, Washington, D. C.

American Labor Conference on International Affairs, 9 East 46th St., New York, N. Y.

American Labor Education Service, 437 West 59th Street, New York, N. Y.

- American Management Association, 330 West 42nd Street, New York, N. Y.
- Committee on Interracial Cooperation, 710 Standard Building, Atlanta, Ga.
- Community Chests and Councils, Inc., 155 E. 44th St., New York, N. Y.
- Congress of Industrial Organizations, 718 Jackson Place, N. W., Washington, D. C.
- Cooperative League of the U. S. A., 167 West 12th Street, New York, N. Y.
- Credit Union National Association, Raiffeisen House, Madison, Wisconsin.
- Farmers' Educational and Cooperative Union of America, 3501 East 46th Avenue, Denver, Colo.
- Foreign Policy Association, 22 East 38th Street, New York, N. Y.
- International Labor Organization, Washington Branch, 734 Jackson Place, N. W., Washington, D. C.
- League for Industrial Democracy, 112 East 19th Street, New York, N. Y.
- National Association for the Advancement of Colored People, 69 Fifth Avenue, New York, N. Y.
- National Association of Manufacturers, 14 West 49th Street, New York, N. Y.
- National Bureau of Economic Research, Inc., 1819 Broadway, New York, N. Y.
- National Child Labor Committee, 419 Fourth Avenue, New York, N. Y.
- National Committee on Prisons and Prison Labor, 1860 Broadway, New York, N. Y.
- National Consumers' League, 156 Fifth Avenue, New York, N. Y.
- National Council for Prevention of War, 532 Seventeenth Street, N. W., Washington, D. C.
- National Grange, Columbus, Ohio.
- National Industrial Conference Board, 247 Park Avenue, New York, N. Y.
- National Peace Conference, 8 West 40th Street, New York, N. Y.
- National Planning Association, 800 21st St., N. W., Washington, D. C.
- National Public Housing Conference, 122 East 22nd Street, New York, N. Y.
- National Urban League, 1133 Broadway, New York, N. Y.

National Women's Trade Union League of America, Machinists Building, Washington, D. C.

Recreation Cooperatives, Inc., Box 333, Delaware, Ohio

State Department of Labor, State Capitol in each state

United States Chamber of Commerce, 1615 H. Street, N. W., Washington, D. C.

United States Government agencies at Washington, D. C.

Federal Housing Administration

National Labor Relations Board

National Resources Planning Board

Federal Security Agency—U. S. Employment Service

U. S. Commissioner of Education, Washington, D. C.

U. S. Department of Agriculture

Agricultural Adjustment Administration

Farm Credit Administration (Credit Union Section)

Farm Security Administration

U. S. Department of Labor

Bureau of Labor Statistics

Children's Bureau

Division of Labor Standards

Wage and Hour Division

Women's Bureau

Workers Defense League, 112 East 19th Street, New York, N. Y.

Workers' Education Bureau of America, 1440 Broadway, New York, N. Y.

Young Men's Christian Association, 347 Madison Avenue, New York, N. Y.

Young Women's Christian Association, 600 Lexington Avenue, New York, N. Y.

NATIONAL AND INTERNATIONAL (U. S. AND CANADA) LABOR UNIONS

AMERICAN FEDERATION OF LABOR

American Federation of Labor Building
901 Massachusetts Avenue, N. W.
Washington, D. C.

- | | |
|--|---|
| Actors and Artistes of America, Associated | Carpenters and Joiners of America, United Brotherhood of |
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| Asbestos Workers, International Association of Heat and Frost Insulators and | Cigarmakers' International Union of America |
| Automobile Workers of America, International Union United | Cleaning and Dye House Workers, International Association of |
| Bakery and Confectionery Workers' International Union of America | Clerks, National Federation of Post Office |
| Barbers, Hairdressers and Cosmetologists' International Union of America, The Journeymen | Clerks, Brotherhood of Railway |
| Bill Posters and Billers of America, International Alliance of | Clerks' International Protective Association, Retail |
| Blacksmiths, Drop Forgers and Helpers, International Brotherhood of | Coopers' International Union of North America |
| Boiler Makers, Iron Ship Builders and Helpers of America, International Brotherhood of | Diamond Workers' Protective Union of America |
| Bookbinders, International Brotherhood of | Distillery, Rectifying and Wine Workers International Union |
| Boot and Shoe Workers' Union | Draftsmen's Unions, International Federation of Technical Engineers, Architects and |
| Brick and Clay Workers of America, The United | Electrical Workers of America, International Brotherhood of |
| Bricklayers, Masons and Plasterers International Union of America | Elevator Constructors, International Union of |
| Bridge and Structural Iron Workers, International Association | Engineers, International Union of Operating |
| Broom and Whisk Makers' Union, International | Engravers' Union of North America, International Photo |
| Building Service Employees' International Union | Fire Fighters, International Association of |
| Carmen of America, Brotherhood Railway | Firemen and Oilers, International Brotherhood of |
| | Garment Workers of America, United |

- Garment Workers Union, International Ladies'
- Glass Bottle Blowers' Association of the United States and Canada
- Glass Cutters' League of America, Window
- Glass Workers' Union, American Flint
- Glove Workers' Union of America, International
- Government Employees, American Federation of
- Granite Cutters' International Association of America, The
- Handbag, Luggage, Belt, and Novelty Workers Union, International Ladies'
- Hatters, Cap and Millinery Workers International Union, United
- Hod Carriers, Building and Common Laborers' Union of America, International
- Horse Shoers of United States and Canada, International Union of Journeymen
- Hotel and Restaurant Employees' International Alliance and Bartenders' International League of America
- Jewelry Workers' Union, International
- Lathers, International Union of Wood, Wire and Metal
- Laundry Workers' International Union
- Leather Workers International Union, United
- Letter Carriers, National Association of
- Letter Carriers, National Federation of Rural
- Lithographers' International Protective and Beneficial Association of the United States and Canada
- Longshoremen's Association, International
- Machinists, International Association of
- Maintenance of Way Employees, Brotherhood of
- Marble, Slate and Stone Polishers, Rubbers and Sawyers, Tile and Marble Setters Helpers and Terrazzo Helpers, International Assn. of
- Master Mechanics and Foremen of Navy Yards and Naval Stations, National Association of
- Masters, Mates and Pilots of America, National Organization
- Meat Cutters and Butcher Workmen of North America, Amalgamated
- Metal Workers' International Association, Sheet
- Mine Workers of America, International Union Progressive
- Molders' and Foundry Workers' Union of North America, International
- Musicians, American Federation of
- Painters, Decorators and Paperhangers of America, Brotherhood of
- Paper Makers, International Brotherhood of
- Pattern Makers League of North America
- Plasterers' International Association of the United States and Canada, Operative
- Plumbers and Steam Fitters of the United States and Canada, United Association of
- Polishers, Buffers, Platers and Helpers International Union, Metal
- Porters, Brotherhood of Sleeping Car Post Office and Railway Mail Laborers, National Association of
- Potters, National Brotherhood of Operative
- Printers, Die Stampers and Engravers' Union of North America, International Plate
- Printing Pressmen's and Assistants' Union of North America, International
- Pulp, Sulphite and Paper Mill Workers of the United States and Canada, International Brotherhood of
- Railway Employees of America, Amalgamated Association of Street and Electric
- Railway Mail Association
- Roofers, Damp and Waterproof

Workers' Association, United Slate,
 Tile and Composition
 Seafarers International Union of
 North America
 Siderographers, International Associ-
 ation of
 Special Delivery Messengers, The Na-
 tional Association of
 Spinners Union, International
 Stage Employes and Moving Picture
 Machine Operators of the United
 States and Canada, International
 Alliance of Theatrical
 State, County and Municipal Em-
 ployes, American Federation of
 Stereotypers' and Electrotypers'
 Union of North America, Interna-
 tional
 Stonecutters' Association of North
 America, Journeymen

Stove Mounters' International Union
 Switchmen's Union of North Amer-
 ica
 Teachers, American Federation of
 Teamsters, Chauffeurs, Warehouse-
 men and Helpers of America, In-
 ternational Brotherhood of
 Telegraphers, Order of Railroad
 Telegraphers' Union of North Amer-
 ica, The Commercial
 Textile Workers of America, United
 Tobacco Workers' International Union
 Upholsterers' International Union of
 North America
 Wall Paper Craftsmen and Workers
 of North America, United
 Weavers' Protective Association,
 American Wire

Note: In addition to these national and international (U. S. and Canada) unions, the A. F. of L. has state and county or city federations of unions under varying names. There is also a considerable number of local unions called "federal unions" (attached directly to the national office) in industries not sufficiently organized to form a national or international union.

CONGRESS OF INDUSTRIAL ORGANIZATIONS

718 Jackson Place, N. W.
 Washington, D. C.

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 Architects, Engineers, Chemists and
 Technicians, Federation of
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 Implement Workers of America,
 International Union
 Barbers & Beauty Culturists Union of
 America
 Cannery, Agricultural, Packing and
 Allied Workers of America, United
 Clothing Workers of America, Amal-
 gamated
 Communications Association, Amer-
 ican
 Die Casting Workers, National As-
 sociation of

Electrical, Radio & Machine Work-
 ers of America, United
 Farm Equipment and Metal Work-
 ers of America, United
 Federal Workers of America
 Fishermen & Allied Workers of
 America, International Union
 Fur & Leather Workers Union, In-
 ternational
 Furniture Workers of America,
 United
 Gas, Coke and Chemical Workers,
 United
 Glass, Ceramic & Silica Sand Work-
 ers of America, Federation of
 Inland Boatmen's Union of the Pa-
 cific

Longshoremen's & Warehousemen's Union, International	Retail, Wholesale & Department Store Employees of America, United
Marine Cooks & Stewards Association, National	Rubber Workers of America, United
Marine Engineers' Beneficial Association, National	Shoe Workers of America, United
Marine & Shipbuilding Workers of America, Industrial Union of	State, County & Municipal Workers of America
Maritime Union of America, National	Steelworkers of America, United
Mine, Mill & Smelter Workers, International Union of	Stone & Allied Products Workers of America, United
Newspaper Guild, American	Textile Workers Union of America
Office & Professional Workers, United	Transport Service Employees of America, United (Red Caps)
Oil Workers International Union	Transport Workers Union of America
Packinghouse Workers of America, United	Utility Workers Organizing Committee
Paper, Novelty & Toy Workers International Union, United	Woodworkers of America, International

Note: In addition to these national and international (U. S. and Canada) unions, the C.I.O. has state and county or city federations of unions called Industrial Union Councils. There is also a considerable number of local industrial unions (attached directly to the national office) in industries not sufficiently organized to form a national or international union.

MAJOR RAILROAD BROTHERHOODS (unaffiliated with either A. F. of L. or C. I. O.)

Conductors of America, Order of Railway	Firemen and Enginemen, Brotherhood of Locomotive
Conductors, Order of Sleeping Car	Trainmen, Brotherhood of Railroad
Engineers, Brotherhood of Locomotive	(Other brotherhoods include Yardmasters, Supervisors, Signalmen and Dispatchers.)

Note: There is also a Railway Labor Executives' Association, Mr. J. Luhrsen, Secretary, 10 Independence Avenue, Washington, D. C.

UNAFFILIATED

Brewery, Flour, Cereal and Soft Drink Workers of America, International Union of the United, 2347-51 Vine Street, Cincinnati, Ohio. (Previously a member of the A. F. of L.)	Meridian, Indianapolis, Ind. (At present suspended but not expelled by the A. F. of L.)
International Typographical Union, Typographical Terrace, 2820 North	United Mine Workers' of America, United Mine Workers' Building, Washington, D. C. (Previously a member of the C. I. O.)

INDEPENDENT

Confederated Unions of America, 308
W. Washington St., Chicago, Ill.

United Utilities Union of America,
112 East 19th Street, New York,
N. Y.

AMERICAN AND BRITISH LABOR'S PEACE OBJECTIVES

I. EXCERPT FROM REPORT OF THE EXECUTIVE COUNCIL TO THE CONVENTION OF THE AMERICAN FEDERATION OF LABOR TORONTO, OCTOBER, 1942

PEACE OBJECTIVES

The United States is the most powerful country in the world, with immense manpower, huge natural resources, and unrivalled industrial technical ability. This position puts upon us a grave responsibility for the war and for the peace that will end it.

The problems of getting ready to fight the war press so upon our attention and our time that only the most general consideration is given to post-war planning. Yet an important part of winning the war is to maintain democratic institutions and procedures in operation and to state our war objectives in simple, clear terms so that they may become a power in helping us to win the war.

ARMISTICE. The end of fighting does not assure the spirit of a millennium but reaction usually sets in from weariness of spirit and revolt against destruction, in addition to the more evil passions and hatreds engendered by the war. The end of fighting is not the end of responsibility. Order must be restored and it must be the kind of order for which we are now fighting. Our present thinking proposes a long armistice. This proposal has dangers as well as advantages. It will mean for conquered nations interim governments imposed by the conquerors, but it will give opportunity for nations to revive their economic institutions under responsible world leadership. Such rehabilitation would have to be financed from world resources. The United States as the leading world power has a responsibility to plan and prepare for such aid to peoples of devastated areas. . . .

Whatever provisions the Peace Treaty may make for world

order, nations will still need regional alignments for the advancement of mutual economic and political interests. To keep trade and commerce free, regions and areas that feed into various markets must plan for the organization and restoration of industries in those areas as geared into markets of world trade. Problems of raw materials and finances will be vital in restoring economic and civil life. . . .

PEACE TREATY. When the time comes for negotiation of political terms and conditions to prevail in the post-war world, organized labor of the United States must be fully and adequately represented in our national delegation that negotiates the peace treaty—with a voice in determining the whole treaty.

As representatives of the largest numerical group in all nations concerned, we maintain Labor should have representation in delegations from all countries concerned.

The workers of all countries want to use their influence for better world organization so that problems can be settled by conference instead of by war.

They want to make sure that world trade in the future does not profit financially because of sub-standard labor conditions in any industry or any country.

They want to do their part in making the world peace a treaty peace in which all nations are given equal consideration with equal opportunities for progress and pursuit of happiness.

We cannot attack problems and decisions from an emotional idealistic approach alone, but we must reinforce our ideals with exact knowledge of the forces involved and careful consideration of facts. We should not try to eliminate force from the political field, but to harness it to constructive policies and agencies.

Proposals to isolate countries, to set up buffer states, to balance powers off against each other, belong to the past. Technical progress, which eliminates space, also eliminates "isolation."

1. The principle that must be basic in that peace is "Governments derive their just powers from the consent of the governed." The kind of government which other countries may choose may differ widely from the institutions of the United States, as the genius and character of one nation differs from another. The important thing is that the government shall have the approval of the governed and that there shall be no type of aggression.

2. The territorial security of all nations and opportunities for peaceful change should be assured. By such machinery we hope to work toward and to develop a world community of nations.

.

When we consider peace we must realize that the entire world is the scope and be mindful of relationships between the continents. The terms and agencies of peace must deal with the whole world and give ample consideration to situations likely to result in injustice and retardation in every country. No one race or continent should be dominant.

3. We further propose that as essential for participation by Labor of all countries in these world conferences and agencies, wage earners shall be guaranteed the right to membership in free unions controlled by the membership concerned. We have repeatedly witnessed the initial attack by the new despotism upon the free labor movement, because the shackling of this largest group in a democracy left other groups and interests helpless to make effective protest. We propose this basic right as essential for the world democracy for which this war is waged.

4. There must be a world agency to decide policies in which all countries are concerned, definite provisions to make decisions effective, and a world court.

5. Every political, economic and social institution must serve the freedom and the welfare of human beings. The inalienable rights of free men are the ultimate end which civilization promotes.

II. BRITISH LABOR'S PEACE AIMS

The following is taken from a statement by the Rt. Hon. C. R. Atlee, parliamentary leader of the British Labour Party in the House of Commons:

A. PRINCIPLES

"For what is required of a Peace Conference is nothing less than the establishment of a New World Order. There have been many Peace Conferences in the past which have resulted in peace for a

few years, but in none of them has there been the acceptance of principles which would secure lasting peace; in none of them has there been fully appreciated the necessity, if war is to be abolished, of some surrender of individual sovereignty by all States.

"What then should be the principles of a Peace Settlement?

"The first principle is that there should be no dictated peace. We have no desire to humiliate, to crush or to divide the German nation. There must be restitution made to the victims of aggression, but all ideas of revenge and punishment must be excluded.

"The second principle necessarily follows. It is the recognition of the right of all nations, great or small, of whatever colour or creed, to have the right to live and to develop their own characteristic civilization, provided that they do not thereby infringe the rights of others.

"Thirdly, there must be a complete abandonment of aggression and of the use of armed force as an instrument of policy. War must be outlawed and the rule of law accepted.

"Fourthly, there must be recognition of the rights of national, racial and religious minorities.

"Fifthly, there must be acceptance of the principle that international anarchy is incompatible with peace, and that in the common interest there must be recognition of an international authority superior to the individual States and endowed not only with rights over them, but with power to make them effective, operating not only in the political, but in the economic sphere. Europe must federate or perish.

"Sixthly, there must be abandonment of Imperialism and acceptance of the principle that in the government of colonies and dependencies where self-government cannot yet be conceded, the interests of the natives must be paramount, and that there must be equal access for all nations to markets and raw materials. This can best be achieved by an extended and strengthened mandate system under international authority. We hold that the redistribution of colonial territories between rival Imperialisms is no solution, for we do not admit that any nation has the right to hold others in subjection."

B. INSTRUMENTS

1. *An International Force*

"There must be an international force, possessed of such overwhelming strength that no would-be aggressor would dare to challenge it. For many reasons an international air force is the most appropriate instrument, while in addition, the abolition of national air forces will remove the apprehension of aerial attack which is today driving mankind back to the practices of the cave-dweller. In addition, every State must accept the obligation of bringing against any disturber of the peace the power of economic sanctions.

"As a natural corollary of the establishment of an international force, there must be a drastic reduction of all national forces to the amount necessary for the preservation of internal order."

2. *An International Authority*

"The existence of an international force necessarily implies an international authority to control it.

"We as believers in democracy hold that the small nations which have formerly contributed and still do today so much of value to the world, should take their full share in an international authority.

"It would be premature to lay down as part of the conditions of peace whether the new international authority should in the first place be confined to Europe or whether it should embrace other continents. That must depend on how widely these principles are accepted, though clearly it ought to be built on the widest foundations."

3. *World Economic Planning*

"No less dangerous than the political is the economic anarchy of the world. When the war ends, there will be widespread economic dislocation and great poverty while the drastic reduction of armaments which we envisage will release an immense industrial capacity which will be wasted unless steps are taken to divert it into a channel where it will be of service to mankind.

"Bold economic planning on a world scale will be an imperative necessity to meet the post-war situation, and to avoid in the future recurrent economic crises. Only an international authority can grapple with this immense problem, which will, however, be

eased by the very fact that the military considerations which were partly responsible for the cult of economic self-sufficiency will now be absent, while the abandonment of Imperialism will lead to freer trade. International institutions for this purpose must be created."

Note—Pamphlets on postwar economic planning have now been published by the American Federation of Labor and by the Congress of Industrial Organizations and may be obtained from them. Many individual unions have adopted resolutions on postwar economic adjustment. The 1943 pronouncements of the United Automobile Aircraft, Agricultural Implement Workers of America, 411 W. Milwaukee Ave., Detroit, Michigan, are an example of perhaps the most progressive labor statements on this subject.

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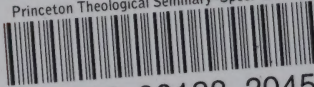
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